

MANPOWER — BLACK MOBILITY

1994

Time for new tactics?

Fm 7/1/94

Ignoring the battery of arguments against affirmative action, companies throughout SA are racing to hire blacks. "There's a moral argument (for affirmative action); you have to do it, no matter what the consequences," says Janet Dickman, labour affairs and social policy manager for the SA Chamber of Business.

Opponents argue that affirmative action is racist and sexist, whether it involves quotas for hiring women and blacks, special training programmes for them to make up for past discrimination or some combination of the two. They say one of the most ambitious affirmative action programmes ever — apartheid — failed if one compares the living standards of whites who work for government and State-owned companies with that of whites who work in the private sector.

Even if pro-black affirmative action were to succeed on some level, the opponents say, it would help only an elite group of people. Because the economy is in such shambles, the masses would be untouched at best.

Finally, they argue that those blacks who have already succeeded — in effect, beaten

All black South Africans must own and be seen to own a share in the SA economy, he says. And without affirmative action, he sees no guarantee that will happen. Or that kids will stop destroying what they see as their stolen birthright. (176)

The chamber's Dickman says what we really need is a growing economy to help disadvantaged people and not just those in the formal sector who already have skills. Thus the chamber stands behind *voluntary* quotas for business hiring and a host of other training and empowerment programmes, while stressing the need to keep businesses profitable. But, she adds, "Voluntary" worries me, because it's a bit too free and easy. Maybe that's a contradiction."

That's the quandary companies find themselves in today. They know that government regulation of hiring practices is sure to be expensive and counter-productive. But they also know that volunteering to alter hiring and promotion practices can be the first step on that slippery slope.

For instance, ANC human resources projects co-ordinator Papie Moloto proposes

has overseas university degrees and solid private-sector experience. But she stands firmly behind the hiring targets for blacks that the forum released in November, to be achieved by 2000: 30% of all non-executive directors; 20% of executive directors; 30% of senior management; 40% of middle management; 50% of junior management; 70% of supervisors; and 80% of all trainees.

She says these targets must be negotiated rather than legislated and that there should be an independent body to ensure that companies either comply or prove why they can't.

Mahlati adds that there needs to be some kind of "mechanism" to classify people by race and gender in order to find out just which blacks and women have which skills and where. Echoes of Population Registration don't faze her.

We're not talking new race laws here, she says; there must be none of those whatsoever in the new SA. And so long as that's the case, then the kind of "passive racism" that people may practise as a result of affirmative action will not harm up-and-coming blacks, she says. It will do far more damage to the

racists themselves, whose prejudices will cause them to pass up qualified people. "I'm not interested in being loved or accepted, I'm interested in being treated with dignity and respect. That you can legislate."

For opponents of affirmative action, it's time now to shift the debate completely, get a new set of arguments into the public forum. There are plenty of options:

□ Deregulation can act as affirmative action. Nafcoc second vice-president Gabriel Mokgoko has proposed something called Economic Development Areas, which should be formerly poor areas turned into free-trade zones for blacks. Whites, he proposes, keep the current level of regulation for 10 years;

□ Even the worst victims of apartheid are not powerless. "Apartheid has forced people to develop skills outside formal structures, which we need to tap into," says Johannesburg's new town clerk Nicky Padayachee, another who's beaten the system. "Even in the informal settlements, they have tremendous management skills. We tend to underestimate severely the people who, for example, don't have university degrees"; and

□ Some blacks and women resent even a democratic government's belief that they need help. Those people are out there, seething at what they see as an affront to their pride in all this talk of quotas and targets.

Granted, it's tough for them to stand up and be counted in this political climate, perhaps even dangerous. It's tough for anybody to come out against affirmative action on any grounds without being labelled a veritable enemy of the people.

Nancy Seijas



Mahlati, Motsuenyane and Dickman ... reframing the debate

the apartheid system — will get a cruel slap in the face when affirmative action gets rolling. Who's going to believe that it wasn't their skin colour that got them their jobs, when every company proclaims how much it is reaching out to help victims of the past?

Those arguments don't deter African Bank chairman Sam Motsuenyane. When he was president of Nafcoc, he always promoted market-driven answers to economic problems, but he also supports racial quotas or targets for hiring blacks. He stipulates that when it comes to affirmative action, government "should start with persuasion" and that coercion should be used only "as a last resort; I'm not an autocrat." In a primarily black area such as Soshanguve, he says he'd give a black-owned company a building contract over a white-owned company, even if it could not now do the job as cheaply or efficiently. "This is an opportunity to empower the disempowered."

training programmes for both blacks and whites under affirmative action, thus silencing calls of racism. "Apartheid has dragged everybody back, despite the fact that they've been dragged back to different levels."

It doesn't stop there, however. He also proposes negotiated hiring targets with punitive levies for those companies that don't comply. The whole system, with all the monitoring mechanisms, would be financed primarily by better management of the current State budget, by a democratic government that's free of corruption, he adds.

No new taxes? Hopefully not, Moloto says, or not much, because that would harm the people it is supposed to help. But "the question of raising taxes is neither here nor there. Is it going to improve the quality of life for everybody? (Then) the person would find it worth his while to pay higher taxes."

Cawe Mahlali, of the Black Management Forum's Affirmative Action Commission,

P. 70

The country's first all-race election in April is set to empower black South Africans politically — and financially. Emmanuel Lediga looks at the economic challenges and opportunities for black business

Shan 6/1/94

If you're black, get (business) wise

Never before has it been more advantageous to be black and in business. The new South Africa has ushered in tremendous opportunities for black business people, and those astute enough stand to make millions as black empowerment becomes increasingly entrenched in the nation's economic fabric.

The wheel has indeed turned full circle. Black business, previously discriminated against by government and big business, stands at the gateway of opportunities that will flow in the new order.

The struggles they have fought in the dark days of apartheid are now coming to fruition. They must stop at nothing.

Economic opportunities are opening up to black business in three areas:

■ The Johannesburg Stock Exchange. Although the JSE is worth close to R600 billion, black representation is minuscule. The rallying cry among black executives has been to gather enough capital to enable them to participate in this market.

In this context, the arrangement entered into between Sanlam, the Industrial Development Council (IDC) and Method last year is highly significant.

It gives Method, a black unlisted company, the right to buy a controlling stake of 10 percent or more in Metropolitan Life, previously owned by Sankorp, Sanlam's investment arm.

The IDC is using its funds to finance the deal, but once enough capital has been raised, the stake in MetLife will pass into black hands.

Metropolitan has assets topping R5 billion and is one of the most highly rated insurance companies on the JSE.

Buying into Method gives black investors a stake in a company that is likely to do well in the future, particularly because it is sourcing its business from the fast-growing black market.

In a similar, more recent, development, the black-controlled SA Investment Corporation,

via a R24 million transaction, acquired control of Prisma Bank, an independent merchant bank.

Prisma's entire issued share capital, along with its subsidiaries, will be owned by local and foreign black interests.

On another front, black pension and provident funds are coming into their own. Blacks have mobilised vast savings over the years but have not had a say as to how those funds are invested.

On the other hand, black stokvel funds, said to total close to R1,6 billion, are a potential powerful lever, if they can be mobilised and invested profitably.

But the expected acceleration of unbundling by the major conglomerates, as Gencor and Barlow Rand have done, is likely to enable new players — black and foreign investors — to play a bigger role in the economy.

The mooted limitation on multi-directorships will break up the current "old boys' network" in corporate South Africa and open doors for black directors.

Funds belonging to black people could be used to buy out small companies with low market capitalisations and, in turn, restructure those companies to trade in profitable markets. These investments is currently doing that, but with unlisted companies.

■ New foreign investment. It is no secret that foreign investors want black participation in most of the ventures they are considering, the recent cellular phone debacle being an example.

The World Bank and the IMF will also allocate some of the projects they will undertake to black business.

Joint ventures with overseas firms will help uplift black business by providing capital and imparting skills to black business.

■ Opportunities presented by a new government and development agencies.

Black business will receive preference when the new government allocates tenders and all it will have to do is meet minimum standards of competence.

Billions of rands in government contracts will be shared among the business community, with companies that engage in joint ventures with black traders likely to benefit the most.

Development funds — so-called "emotional money" — will also flow as the international community lends a hand in rebuilding a post-apartheid society.

Industries that will benefit include those engaged in construction, publishing, health, furniture and electricity.

What strategy, then, should the far-sighted black business unit adopt?

■ It must be better organised to be able to speak with one voice and seriously engage in business.

■ It should enter into joint ventures with local big business or with foreigner investors as equal partners. This will enable it to reap profits which for so long they have been denied.

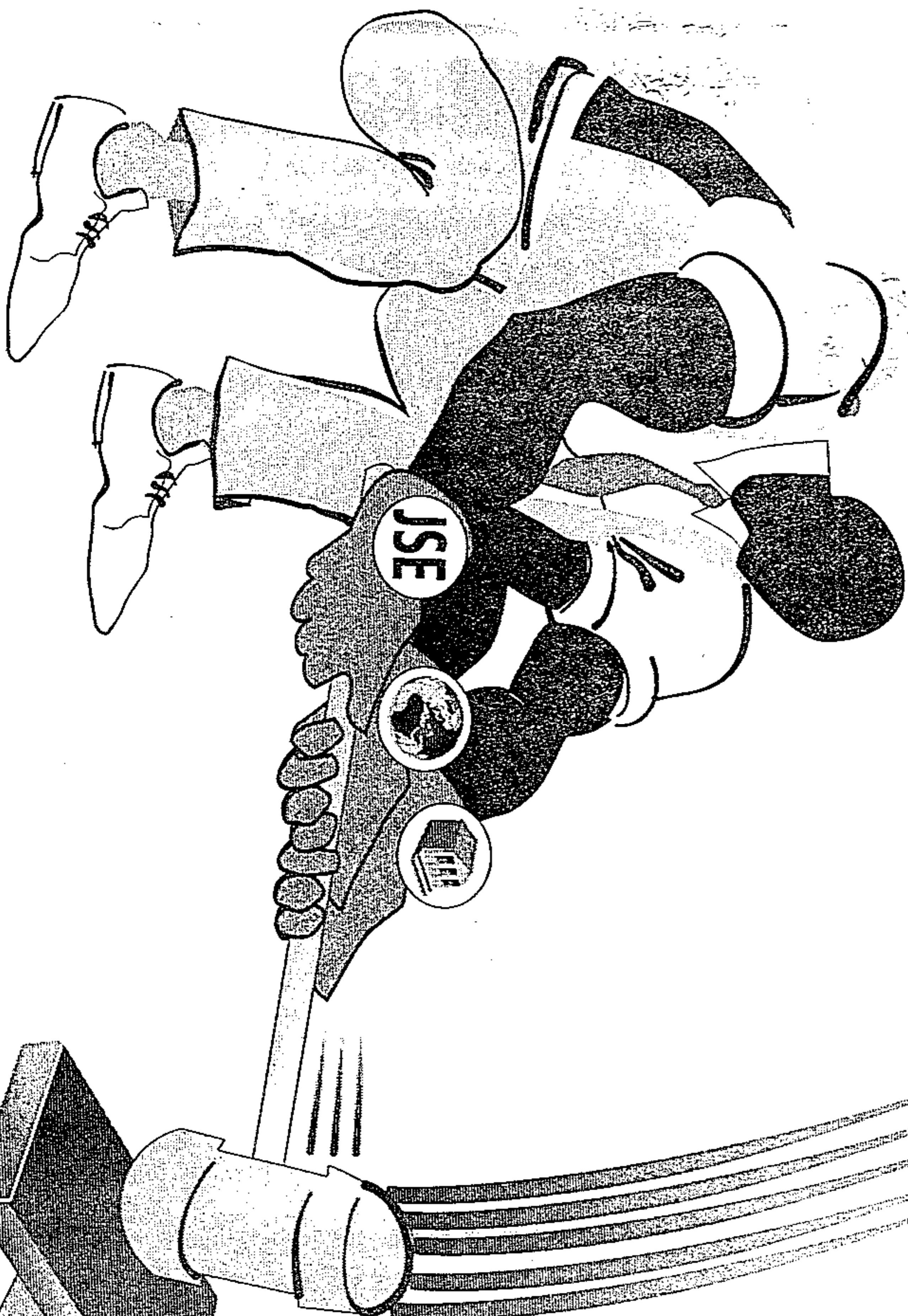
■ It needs to source skills in various industries. Black executives should set up companies with experienced members of various trade unions. These consortiums should, in turn, establish joint ventures with employer organisations, thereby enhancing the distribution of wealth.

■ Skills training must be paramount. We live in a rapidly-advancing technological world. Therefore, we need superior skills to tap future local and international markets.

■ Black business must urge big business to drop its patronising stance and treat blacks as serious businessmen. Foreign business doesn't look down on them.

■ After all the billions have been made, black businessmen must ensure that some of the profits flow into the townships to uplift the standard of living of the majority of South Africa's people.

■ Emmanuel Lediga is the first black share dealer on the JSE, and works for stockbrokers Senecal, Mouton & Kitchhoff. He comments regularly on investment issues.



Paul Steiber

AFTER years of being discriminated against because they were too brown, coloureds are now being overlooked by companies with affirmative action programmes because they are not black enough.

There is a growing fear, especially among coloured professionals, that business is directing affirmative action and "fast-track promotion" programmes solely at Africans — at the expense of coloured employees.

"I suppose it's because if you promote an African man you are seen to have done something," said a woman involved in the development of corporate social policy.

Figures released by the *Breakwater Monitor*, which keeps an eye on human resources development in South Africa for the University of Cape Town's Graduate School of

Being brown is still a downer

(176)

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Business, show the bulk of the money companies are spending on training and development is going to Africans: 60 percent, while whites receive 28 percent, coloureds eight percent and Indians 3.3 percent. Of business money spent on education, 47 percent goes to whites, 37 percent to Africans, 12 percent to Indians and three percent to coloureds.

Franklin Sonn, rector of the Peninsula Technikon, which has a predominantly coloured student body, slammed companies which have refused to employ coloureds on the grounds of affirmative action: "There are even multinationals who are saying they have a policy not to employ coloureds."

"This is creating a lot of bitterness

and division between the different black groups and detracts from the experiences of coloureds under apartheid. It is devious and destructive if it is being done deliberately.

"We recognise that there were different degrees of suffering under apartheid and that Africans especially suffered, but we must be careful not to disadvantage coloureds and knock them twice."

Sonn believes the issue needs to be discussed openly: "This is creating tension and we need to start talking about it. There is always this fear (among coloureds) of being branded racists if we talk about our concerns, but this tension contributes to a backlash of political conservatism." South African Chamber of Busi-

ness (Sacob) labour and social policy manager Janet Dickman said it was not the organisation's policy to limit affirmative action to Africans: "It applies to all groups that have been previously disadvantaged." But she pointed out that Sacob could only suggest policies to member companies and that they were under no obligation to adopt the policies.

Three major South African companies, all based in the Cape, are among those accused by employees and job hunters of discriminating against coloureds.

Assurance giant Southern Life is one of the companies named, but Brent Dempster, the company's human resources co-ordinator, denied that it is actively discriminating against coloureds.

"Any person or group who were disadvantaged by apartheid would fall into our definition," he explained.

Nihalo Mollana, chairman of Methold — the black flagship in the financial world — and an African National Congress member insisted that coloureds need not fear affirmative action, even under an ANC government.

"Coloureds have a genuine fear that they will be pushed aside and forgotten because they will have been seen to have benefited from the apartheid system," Mollana said. "I am confident the ANC can allay those fears."

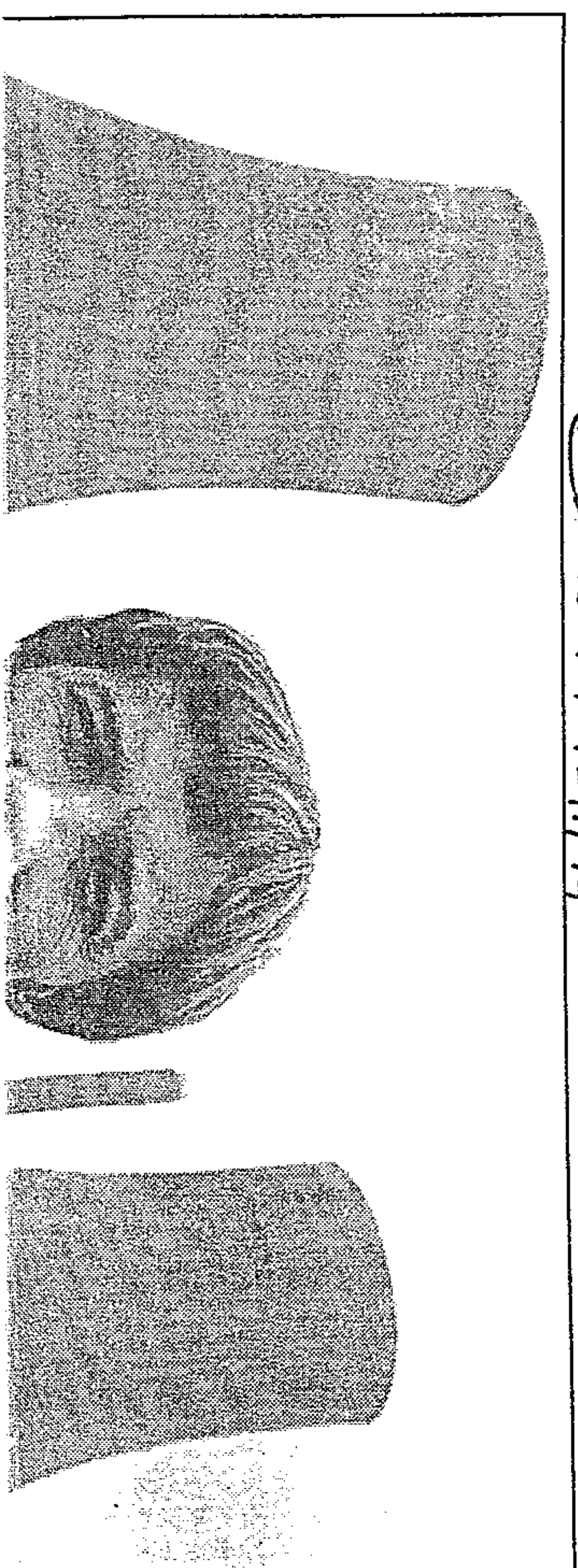
But, he pointed out: "Coloureds and Indians have also suffered the ravages of apartheid, but those at the lowest level were African. When we speak of need, we must look at Africans."

White right exploits affirmative action

Affirmative action is becoming a fertile feeding ground for organisations like the Afrikaner Volksfront, reports **Ferial Haffajee**

AFFIRMATIVE action at white-worker strongholds could become one of the most powerful organising tools of the far-rightwing. As parastatals like Eskom and Iscor, as well as the mining industry, start talking about affirmative action and holding "diversity workshops", fear and resentment is growing and becoming a fertile feeding ground for white unions. The unions are, in turn, providing "shock troops" for organisations like the Afrikaner Volksfront.

But their fears may be a little premature: neither Eskom, Iscor nor the mines have set affir-



native action policies in place. While all three are researching the topic, they do an egg dance when asked for details.

Employer reticence is also tinged by tension over any talk of affirmative action. One employer said that during a presentation on the topic at Eskom recently, the presenters were shouted down and some white unionists staged a walk-out. "They fear that it will mean reverse discrimination and retrenchments. Some employees have left to join more conservative companies."

Some of these organisations have received threats of sabotage, and have seen a number of wildcat strikes by white workers. "If a company plays with the white worker, they must be prepared for the consequences," a shop steward of the Mynwerkersunie (MWU), the country's largest white union, warned this week.

Capitalising on their fears, the MWU — which claims to have grown by 50 percent to over 50 000 members in the past two years — is using a fire and brimstone attack against affirmative action as its drawcard.

In addition to its traditional strongholds like Eskom, Iscor and the mines, it is also drawing many workers at Transnet (the first former state-owned company to implement an affirmative action programme which specifically excludes whites from future employment), Telkom and in white municipalities, says its assistant general secretary, Filip Buys.

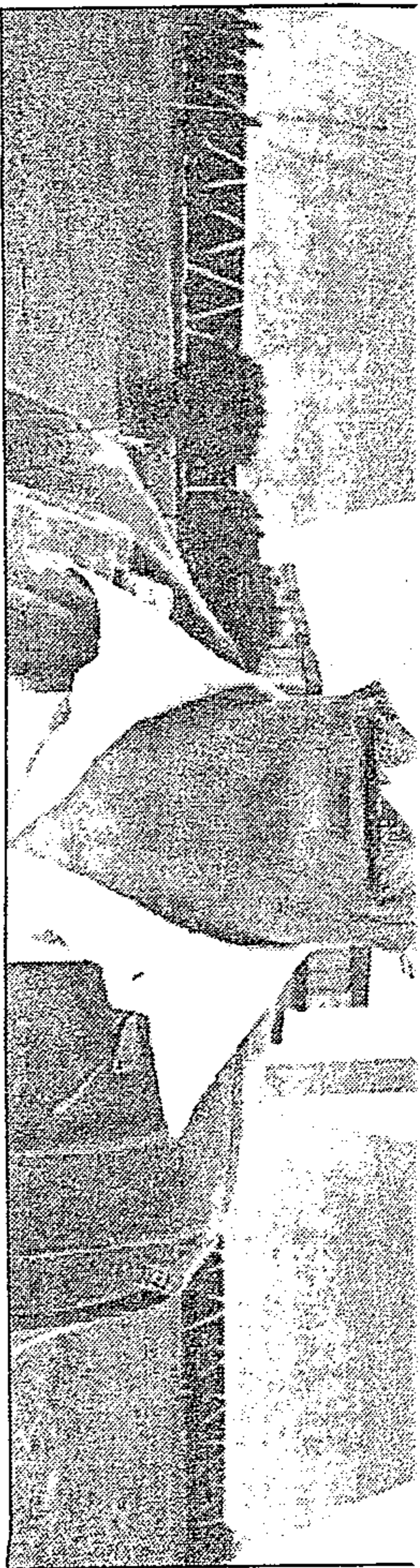
The union's head office is filled with posters offering protection against "the attack on the employment of white workers", and its newspaper brims with articles on affirmative action.

Gappies Burger, an MWU shop steward at Eskom's Lethabo power station in Vereeniging, says: "The white worker is the target of the process. It's come as quickly as day and night."

Burger, an affable man, is almost a caricature of the white worker, as he stands against a backdrop of Eskom's cooling towers. "We've got nothing against other races at all. We are concerned with job security and post security," he says.

The Lethabo power station is clearly his territory and he navigates his way out of the labyrinth of guards and gates as if he owns it. In khaki shorts and a short-sleeved shirt, short socks and hiking boots, he looks pensive as he adds: "They are taking our jobs and putting unskilled members of other races in our places."

"We are concerned with this whole multiracial thing. They (blacks) also need to get more education and skills. They need special training to get in line with whites, but we want the same opportunities."



Fire and
brimstone ...
Mynwerkersunie
shop steward
Gappies Burger
at Eskom's
Lethabo power
station in
Vereeniging
PHOTOGRAPH:
GUY ADAMS

Business should look on the bright side

Reg Runney

AFFIRMATIVE action may be more of a blessing than a curse — even for those in business who fear its effects.

This is one of the "flip sides" pointed to by Laurie Schlemmer in the *Platform for Investment II* in assessing the business environment in the troubled medium term. It will, he says, rapidly create a stabilising black middle class.

"Some of the justifiable fears about the future are that affirmative action will become a reigning passion in government, which will lead to a culture of entitlement, distortions in the market for skills and expertise and the like."

He adds that fear of affirmative action means more and more white workers are joining the union. "We say to them: The government won't help you any more. White workers used to be protected by the law, but the law can do nothing for you now. They (the government) already implemented their affirmative action."

Burger says his union's members reject any quota system in employment: "There are also good, skilled white people who need a job." He is willing to sit down and negotiate with Eskom's managers, but adds: "If you took our members away, this company won't exist."

Says a white engineer employed at Lethabo: "They said they won't pay us off and put a black in our place. But look at a white child these days — even if they've got Standard 10, they've got nothing."

The MWU's Buys explains that it is part of Afrikaans family culture that "if my father works

"These fears are justifiable but, equally, one should consider that white United States, Indonesian and Malaysian experience has revealed some marked failures for affirmative action in achieving income equality, this experience also shows that:

• It leads to the rapid development of a black elite and middle class, which helps stabilise a country.

• It can force white (Chinese/Indian) people of talent, whose opportunities are constrained, into the small and medium-sized sector. This is very good for the economy and these minorities, even if discriminated against, end up becoming wealthier than they would have without affirmative action."

for Eskom, then so will I". Now fathers fear that their sons will not get jobs at Eskom, Iscor, the mines and the railways. Buys adds that the children of white workers no longer get bursaries, and that the training of white workers is being curtailed.

In addition, companies are trying to introduce what Buys coins "verengelsing poliel (an Anglicisation policy)", using English as the language of negotiations and company culture. "A person is feeling it from all sides, and then things like industrial sabotage start to happen," he says.

Buys believes that part of the problem on the shopfloor is that employers keep white unions in the dark about affirmative action plans. The unions have to find out about such plans from sympathetic managers and secretaries who leak information to them, he says.

A shop steward at Eskom underlined the point by saying he believed the rumour that

Another fear is of high expectations leading the government into high spending. Schlemmer considers that black expectations are such that the spending could be one way of creating jobs most effectively, and could lead to a surge of consumer-driven growth which could be sustainable.

A pervasive fear is of the influence of the militant youth, the "lost generation". Plans are well advanced to absorb the jobless and alienated youth in army social-service battalions. And, he adds, there is a universal tendency for the more militant foot soldiers of the revolutionary struggle to be suppressed after the new government gets down to the serious business of governing a country.

"Whites will not receive promotions in the next three years". But affirmative action is not even paper policy at Eskom, Iscor or the mines. While they may have equal opportunity policies high on their mission statements, it will be many years before large numbers of black workers start making it to the grades of artisans, engineers and technicians at these institutions.

"It will take a long while, despite the opening of the doors," comments Roy Sewnarain of the National Union of Mineworkers.

Nonetheless, rational argument will have difficulty in countering the angry rhetoric against affirmative action. A recent copy of the *MWU News* states: "The MWU raised the question the price South Africa and all its citizens will have to pay for the luxury of affirmative action. It concluded that it will be measured in rivers of blood, and South Africa will become a desolate wasteland of human carnage."

Post mortem reveals brutality of SADF raid

WJM 7-13 | 1994

Seventy shots were pumped into the bodies of five children during the SADF's Umtata raid last year. **Farouk Chothia** reports

THE savagery of the South African Defence Force cross-border raid against an alleged Apia base in Umtata in October last year, in which five schoolchildren were killed, is revealed in the post mortem report.

The 80-page post-mortem report shows:

- At least 70 shots were fired into the bodies of the five, who were aged between 12 and 17.
- The five victims suffered bullet wounds in several parts of their bodies — including the penis, chin, head, chest, abdomen, legs and arms.

- Twenty-three bullets were fired into the body of the youngest victim, Sandiso Yose. It appears he was killed "execution style", as one bullet had hit him between the eyes.
- His twin brother, Sadat, had been shot 16 times.

- Samora Mpendulo (16) had been shot 11 times, including in the penis, head and chest.

The release of the report comes against the backdrop of two other embarrassing developments related to the massacre for President F.W. de Klerk — and it could be an albatross around his neck as he projects a "Mr Clean" image in a bid to win votes for the April elections.

Transkei military ruler Major General Bantu Holomisa called on the Transitional Executive Council on Tuesday to urge De Klerk to cooperate with Transkeian police in the investigations, claiming that South African authorities are refusing to do so.

Captain Craig Kotze, a spokesman for the Minister of Law and Order, said he could not comment on the post mortem report as he had not yet studied it. However, he said it was impossible in international law to sue De Klerk because the latter had acted within the limits of his authority. The president had, in addition, not issued the order to kill.

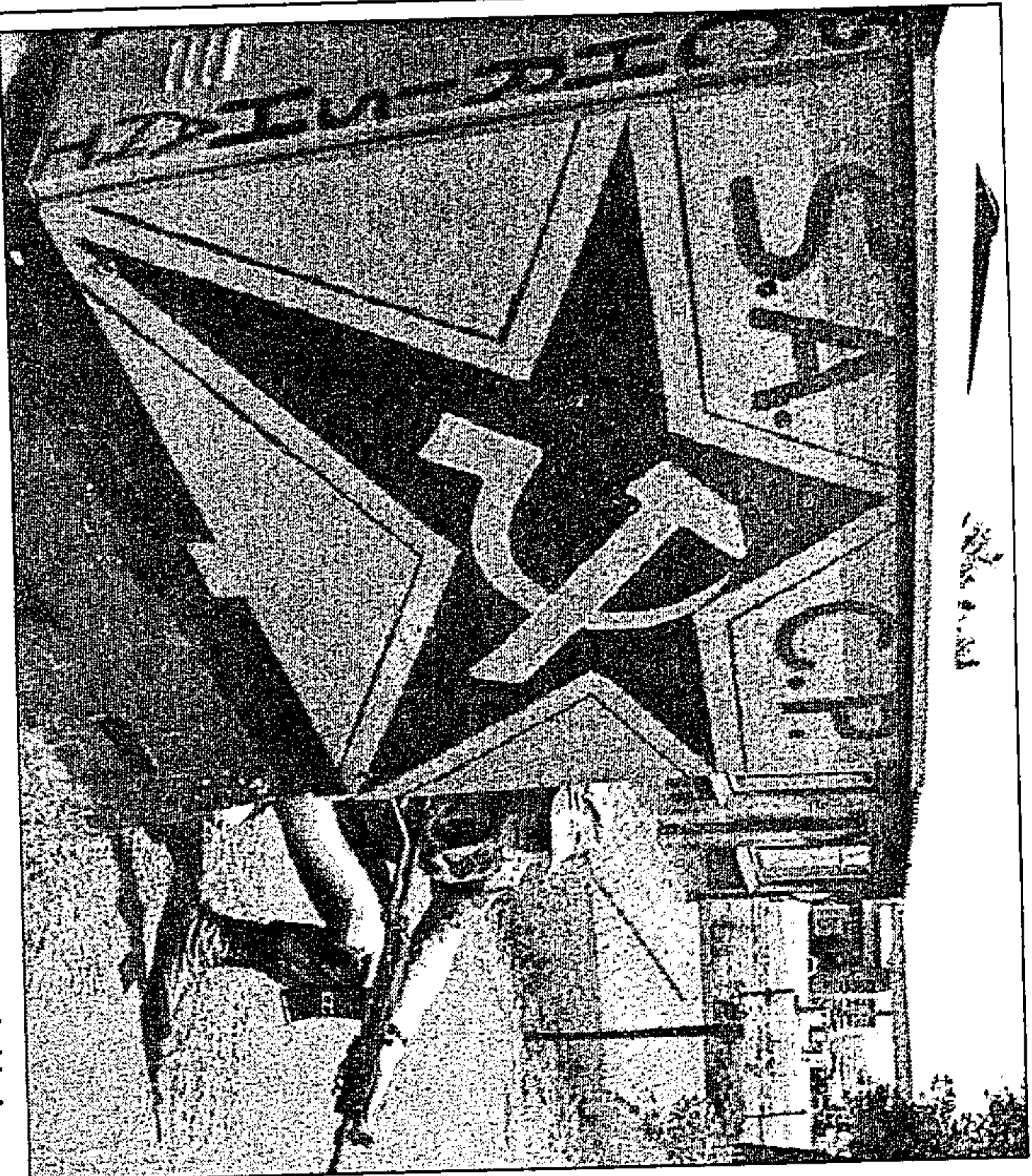
However, he added that the force used by the SADF in the raid was "completely justified" as a "confirmed Apia facility" had been attacked.

Holomisa seems determined to bring the culprits of the massacre to justice. In a statement to the TEC on Tuesday, he complained that Transkeian police were not receiving the cooperation of South African authorities.

"We request the TEC to use their good offices to persuade De Klerk and his appropriate ministers to furnish statements on this tragic event to the Transkei police," said Holomisa.

Kotze declined to comment on Holomisa's request as it would pre-empt any decision taken by the TEC.

Nisebeza said that South Africa authorities had still not handed over the weapons used in the raid to their Transkei counterparts. He said the weapons were urgently needed for forensic tests and South Africa's refusal to hand them over indicated a "cover-up".



Hammers, sticks and guns ... An Internal Stability Unit member takes shelter behind a partisan electricity distribution box in Tanzania section of Vosloorus

PHOTO: STEVE HILTON-BARBER

Subscribe



Affirmative action 'part of manpower development'

AFFIRMATIVE action should be part of a company's overall manpower development to raise productivity, according to the National Productivity Institute.

Speaking at a seminar on Friday, the institute's senior human resources consultant, Keith Spicer, said affirmative action programmes were often tied to the perception that standards would fall and "white jobs" would be at risk. *BIDA*

For example, staff motivation and productivity at one company fell when management announced its affirmative action plan based on an end to recruiting and promoting white staff. Soon a rumour spread that wage increases would be kept to a minimum over the next few years to finance this programme. *2112194*

Spicer said affirmative action needed to be implemented through performance related management methods, otherwise standards could drop in some areas.

Other important factors were selecting the right candidates, focused training and a participatory management style. Company employees needed to be informed

MARIANNE MERTEN

about the affirmative action process and be able to give their input, he said.

Executive director Jan Visser said investment in affirmative action programmes would benefit the whole workforce. "Affirmative action is not just about the upliftment of a few selected individuals," he said.

Many SA companies were spending less than 0,5% of their payroll on training and development, but a "winning company" should spend at least 4%, he said.

Johan Venter, senior industrial psychologist at the institute, said a recent institute study of affirmative action candidates showed white males would be promoted in a white male-dominated corporate culture unless targets and goals for affirmative action were set. *(176)*

Factors hindering performance of affirmative action candidates were racially based negative attitudes, especially by supervisors and difficult work relations with subordinate workers.

Aligning affirmative action with work goals

Biday 20/11/94

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CHRIS VAN DER SPUY

WHILE affirmative action programmes are essential to business in addressing the inequities of the past, affirmative action alone will not be enough to equip companies to succeed in the future. An entirely new, integrated way of managing organisations is required as we move into a new SA, a global economy, and a new century.

This integrated style of management will create an enabling environment in which empowered individuals manage themselves and their workplace.

There are no set answers to predictable questions in the workplace of the future. Managers will need to develop a new way of thinking and an evolving way of managing to cope with continuous, incremental change. They will have to cope with a variety of questions and a range of solutions.

Companies will experience a significant shift in organisational culture as we move towards a transparent management style in which open communication is the norm and in which managers value and build on diversity rather than perceive it as a threat.

Companies will have to learn to operate in the context of the community, as well as that of the organisation. The growth of the informal sector and small business, the changing nature of stakeholders and suppliers, and the bringing down of barriers will encourage organisations, like countries, to see themselves operating in a global environment.

There is a disturbing trend among senior managers to focus on "the

maintenance of standards" in the new SA.

This trend is also seen in the area of recruitment and selection, where the tendency is to recruit to ensure the minimum chance of failure rather than to recruit people with potential to develop further.

In an environment in which empowered workers are encouraged to use their initiative to operate with the pride conducive to positive self-image and extra effort, the question of quality standards or productivity levels will scarcely be an issue. Successful role models will abound.

Unsuccessful employees, from whichever group they come, must be managed fairly and decisively. Unsuccessful employees who are "carried" by the company simply reinforce the prejudices of the few, in that the individual is seen to represent an unsuccessful group or category of the population, and the acceptance by management of lowered standards.

Managers will be required to appoint the most competent person to a position, while simultaneously supporting the company's affirmative change programme.

"Willy-nilly" Africanisation will result in the emigration of skills of formerly privileged employees who see SA offering them limited career growth.

Companies can offer no guarantees to employees who do not support — or worse, who undermine — a non-racial management style.

Managers will need to make clear

to employees that there are more than enough jobs to go round in the new SA, given anticipated economic growth and expanded markets, particularly within Africa, and natural labour turnover.

Existing employees and formerly privileged groups will need to be provided with the information necessary to manage their careers.

In addressing the affirmative action component of integrated management for the future, companies must develop strategic plans supported by time-bound, quantifiable targets against which managers are measured and rewarded or sanctioned according to performance.

Addressing past inequities must become part of the fabric of business.

Just as profit targets are vital to the survival and success of organisations, so the concept of operating a normal business in a normal society is vital to corporate success. Over and above legislation to address the wrongs of the past, companies will also be confronted with stakeholders who are not prepared to tolerate the perpetuating of past inequities. For example, state contracts should not be granted to reactionary organisations.

Business, together with the rest of society, must invest in the growth of the country's human infrastructure to ensure future success. The challenge for business is to instil an integrated management style which is aligned with overall corporate strategy and which ensures that all individuals focus their work efforts on appropriate company goals.

□ Van der Spuy is a Cape Town-based management consultant.

Give us the money!

Should affirmative action be extended to black businessmen to help them compete with whites in the marketplace? This has become a major issue in Zimbabwe, ROBIN DREW reports for The Argus Africa News Service from Harare.

AFTER nearly 14 years of majority rule, black businessmen in Zimbabwe complain that they are still handicapped by racial discrimination — except that it is now financial rather than political.

They are demanding that the government direct banks and finance houses to provide them with a greater share of loan money.

The banks argue, however, that it is inexperience and lack of collateral rather than racial discrimination that puts black businessmen at a disadvantage in raising loans.

The cry that blacks are disadvantaged because of the racially discriminatory practices of past white governments is not new. Over the years since independence in 1980 blacks have complained that advancement in the private sector has not paralleled the Africanisation policies followed by the government elected under majority rule.

The same complaint is still heard and most recently it has been voiced by President Mugabe, who accused whites of being a protective clan who looked after their own.

Repeated accusations by black businessmen that the banks and other financial institutions discriminated against blacks in their lending policies finally led the banks with the association of finance houses to issue a racial breakdown of lendings.

This showed that at the end of September last year, the total of loans and overdrafts to the private sector stood at just over Z\$6 000 million of which Z\$1 313 million had been lent to black-owned businesses.

The blacks' share came to nearly 22 percent and the banks and finance houses said this spoke for itself. The institutions said they had been going to special lengths to assist

indigenous businessmen and over the past few years had helped to finance the localisation of 30 companies by indigenous business people.

But the statement made the point that the ability of a business to succeed was the key issue and as custodians of depositors' money, banks and finance houses had a duty to ensure investments were prudent.

This drew the retort from black businessmen in a statement couched in most extravagant terms demanding that the government pass laws to direct that at least 80 percent of all investible resources be targeted at blacks.

"This is our sweat and blood which we now demand back in the same way that we have fought and died for our land," said an advertisement in the national Press on behalf of the "struggling indigenous Zimbabweans". Calling for demonstrations against banks and finance houses, the advertisement said whites had brought no money to Zimbabwe but had gained wealth through exploitation of the blacks.

There was much more of this including a biting attack on black "Uncle Toms" who went along with the wishes of their white masters — clearly a thrust at a leading black banker, I G Takawira, president of the Bankers' Association.

The drive for an aggressive approach has come from the Indigenous Business Development Centre launched two and a half years ago under the patronage of President Mugabe, who last month slammed foreign (white) control of the economy.

It has also received strong backing from Vice-President Joshua Nkomo who has frequently warned that blacks must be given a greater share

of the economy if another conflict is to be avoided.

The government has had under consideration an "indigenisation policy" which includes recommendations by a parliamentary select committee which called for a special tax regime for indigenous business people.

The benefits in their formative years would include exemption from duties on machinery, tax holidays of up to eight years, a reduction in sales tax and so on.

Of immediate concern is the control of Stanbic Bank Zimbabwe Ltd which was recently acquired by the Standard Bank Investment Corporation of South Africa.

Black businessmen have said they want a substantial share in the bank and a report at the weekend claimed that 80 percent of the shares would be allocated to black Zimbabweans through a scheme in which share stamps would be sold at post offices.

Stanbic chairman Lindsay Cook and managing director Hugh Ferguson issued a statement saying the report was inaccurate and no agreement had been reached on any change of shareholding.

The weekend report had claimed that the government had directed that 80 percent of the shares be held by indigenous Zimbabweans and that Mr Mugabe had given his approval.

The Stanbic statement said that as soon as market conditions were favourable, an issue of shares would be made to the public and an announcement would be made in due course.

Meanwhile the frustration and resentment in certain black business quarters will continue to be expressed vociferously.

Productive affirmative action plan unveiled

B/Dom 19/11/94

JOHN DLUDLU

A PRODUCTIVE affirmative action model presented corporate SA with an opportunity that should not be missed, National Productivity Institute executive director Jan Visser said yesterday.

He told an affirmative action seminar in Johannesburg that the model required companies to become mechanisms for human growth by providing opportunities and dignity for their employees.

Ingredients of the model, compiled by the institute, included commitment from top management and effective management of performance.

"Other requirements for the model are that managers should be rewarded for developing people and that a

general culture of learning and development should be cultivated," Visser said. (176)

The model's success required that less emphasis be placed on formal qualifications and work experience.

Visser warned that undue external pressure on organisations to implement affirmative action might easily result in a mismatch of people and jobs, which would create "artificial showpieces".

Industrial psychologist Johan Venter told the conference affirmative action had been "very successful" in achieving a sense of belonging

among black employees and trainees in middle management, with 83% of the managers feeling a sense of pride in their companies.

Three quarters of the trainees showed a strong sense of loyalty — measured by their reluctance to resign — and about 87% were recruiting friends.

Industrial communications specialist Amanda van Eeden said the success of affirmative action programmes depended on campaigns to convince employees of the benefits they could reap.

"If the organisation can succeed in selling this message, the benefits will far exceed the investment in time, money and effort," she said.

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Business Report

Senior training programme starts

By ANDREW BROWN

SOUTH Africa's first programme to accelerate black entry to the corporate boardroom and top leadership positions is underway.

A total of 15 participants — mostly holding senior management positions in large organisations — are spending this week in isolated conference facilities at the foot of Somerset West's Helderberg mountains.

Entitled the Directors' Development Programme, the course is sponsored by Engen and supported by the National Black Business Caucus, the Institute of Directors and the University of the Western Cape. It aims at developing top management leadership.

The programme is being run by Stuart Campbell, who has had extensive experience in training programmes for top management and directors of major companies.

Campbell explained that the five-day programme was intensive, covering fields such as performance and motivation, forces working for and against the advancement of blacks in SA and the transition and growth phases of organisations.

Participants have to work and live together during the programme without outside contact or visits in order to gain maximum benefit.

Campbell said the programme was designed in such a way that the participants

(176) (176) CT 25/1/94
would experience plenty of confusion and aggression by the middle of the week. "But by the end of the programme they will be very clear on their objectives," he said.

Engen GM, Morakile Shuenyane, one of the programme co-ordinators, felt that it "de-tokenised" senior positions for blacks, unleashed and clearly defined leadership potential.

Campbell is not charging for his services but has demanded 100% dedication in return.

Following the completion of the course, the participants will form a support group for the first year to monitor progress.

He said it was possible "one or two further courses a year" would be held.

Wholesale affirmative action seen as blunder

'Don't dismiss on basis of race'

Star 25/1/94

■ **BY NORMAN CHANDLER**
PRETORIA BUREAU

Wholesale affirmative action in the public service after the April 27 election would be courting disaster and be "the biggest blunder" the next government could commit, says the Public Servants' Association (PSA).

While agreeing that affirmative action is unavoidable, the PSA warns: "It cannot be promoted by the rationalisation of the public service and the forced dismissal of personnel simply on grounds of skin colour."

The PSA urges in its official publication, *The Public Servant*, that the efficacy of the

public service must be borne in mind when affirmative action methods are put in place and that this did not imply that personnel other than whites were any less capable.

"Rather, for specific posts, experience, in-service training over years, and knowledge of the practices and disciplines are an absolute requirement."

Eroding the efficacy of the public service for the sake of ideology would be the biggest blunder a new government could commit and the PSA welcomed the fact that the ANC had "efficiency as an objective".

It pointed out, however, that a danger existed that there could simultaneously be new political heads of depart-

ments and new department heads — "political heads are and always will be dependent on experienced chief advisers from the public service and will have to rely heavily on such people. (176)

"For this reason, a new government, in its own interest, cannot and should not do away with all the department heads and all members of the management echelon of the public service within a short span ... it could have catastrophic results for the administration of a country ..."

The association urged that an equitable approach be followed, with retention of staff and improvement of efficacy as a basis.

Affirmative action a hit on the stage

B/Daw 28/1/94

THE Market Theatre, traditionally the home of protest plays, was yesterday the venue for a performance of Labour Link's new industrial theatre production, The Affirmative Action Game — Place One Token in the Slot. (176)

The play, presented in conjunction with the Institute of Personnel Management, was designed to give an amusing account of the pitfalls and aims of affirmative action and to encourage debate by the audience in a subsequent workshop.

Labour Link MD Ian Fuhr said The Affirmative Action Game was an in-house production which provided the starting block for change management programmes conducted by the consultancy.

This is the second such venture by Labour Link, whose first production probed racism and discrimination in managing diversity to create an environment conducive to engendering employee commitment.

Labour Link, a change management consultancy, came up with the idea of incorporating industrial theatre into its training programmes as an advertising gimmick, but has developed it into a major part

ERICA JANKOWITZ

of its training programme.

The plays last an hour, using two actors who each play several roles geared to capturing attention and raising issues.

Issues covered are not just affirmative action pertaining to traditionally overlooked race groups. Women also have their say, although the roles are played by male actors, much to the amusement of the audience.

Families and communities are depicted as having a major influence on attitudes and sensitivities.

It is provocative, amusing, topical and easy to relate to, whether the audience consists of management or workers or, ideally, a combination of the two.

The play is said to use "the medium of humour to put across its message, but spares no punches in exploring the problems and fears experienced by members of a typical SA company in its attempt to get to grips with an affirmative action programme".

The Affirmative Action Game was scripted and produced by well-known theatre personality Neil McCarthy, and contains some memorable characters and quotes.

NATIONAL PROPERTY

Sanlam bid to be affirmative

Black board members likely by year end

ARL 12/2/94 (58)
(176)

BRUCE CAMERON
Business Editor

SANLAM, founded as a bastion of white Afrikaner wealth, is likely to have its first board members of colour by the end of the year.

And, for the first time in its 76 years of existence there is likely to be an election contest for membership of the board of the giant life insurer when it holds its annual meeting on Wednesday.

The appointment of a person of colour to the board is another step in rapid changes being made by Sanlam.

The life office already has given effective control of its kid-brother Metropolitan Life to its majority black policyholders and has pushed ahead with a staffing policy that will bring the colour profile of its staff into line with its own policyholders.

The annual general meeting will have a slightly more com-

■ Blacks on the board is no longer unthinkable at Sanlam, and they could be there this year.

batative atmosphere than those in the past when National Party MP Theuns Appelgryn attempts to snatch one of the positions of one of four board members coming up for re-election.

Normally new board members are pre-selected by the existing board and the election at the annual meeting is a rubber stamp of the earlier decision.

But any policyholder of Sanlam and, for that matter Old Mutual as well, is entitled to seek nomination to the board.

Dr Appelgryn, a former mayor of Kempton Park, was appointed last year to inherit the Modderfontein seat of retiring Minister of Defence Magnus Malan.

However, Dr Appelgryn is unlikely to win in spite of gath-

ering proxy votes from his fellow National Party MPs and a few others. The existing board is understood to have used its extensive influence to gather a few proxies of its own to ensure things go its way.

Dr Appelgryn has called foul, saying this is taking unfair advantage.

He also questions why the board has decided to allow two sitting directors, who come up for re-election, to be nominated again. The two — Dr Carel van Aswegen, chairman of short-term insurer Santam, and Pepler Scholtz, a former managing director of Sanlam — have to retire this year because of a 78-year-old age limit on board members.

It is understood, however, that the strategy is to use these two board positions to bring in blacks.

In an interview, Dr Appelgryn said he had no particular gripe with Sanlam, and was not dissatisfied with its perfor-

mance. He felt he, as a young 52-year-old, could contribute to the Sanlam board. He is a former senior lecturer in the human sciences faculty at the University of South Africa.

Dr Appelgryn also feels that if the general meeting were held in Johannesburg he would win the contest.

At the general meeting at the Sanlam headquarters in Bellville on Wednesday, Mr Marinus Daling, former head of Sanlam's industrial arm San-korp, is expected to be confirmed as the chairman of the life office. He was appointed by the board last year after the death of Pierre Steyn, who held office for less than a year.

This year, the chairman's report will be seconded by Rembrandt Group chairman Johan Rupert.

The Rupert empire has many interwoven business investments with Sanlam, but the relationship has sometimes been cool.

Rules would still keep many off Bench

More black access to Supreme Court?

Star 18/2/94

(176)

■ JOHN SODERLUND

The Milne Commission of Inquiry into the Granting of Certain Powers to Legal Practitioners has proposed amendments which promote more representation in, but effectively restrict appointment to, the Supreme Court of black attorneys.

The commission has recommended that attorneys be allowed to practise in the Supreme Court, termed "audience rights", because this would give black attorneys the experience to eventually be appointed as judges.

But it has also insisted that only senior counsel be admitted to the Bench.

The commission, whose findings were released yesterday, was appointed in June last year to investigate how more wide-

**INQUIRY
recommendations
would still
stop many blacks from
becoming judges**

ranging powers could be extended to attorneys.

The Association of Law Societies has broadly welcomed the proposals, but has also criticised some of its recommendations.

Uppermost is the association's concern that the findings will not facilitate the appointment of more black judges to the Bench.

ALS official representative at the commission's hearings, Peter Leon, points out that the report suggests that attorneys who are not qualified as senior counsel should not be eligible for ap-

pointment to the Supreme Court Bench.

Senior counsel are required to have LLB degrees, but Leon says most young black lawyers increasingly have BProc degrees. This hampers their ability to work as advocates and effectively prevents them from being appointed as judges.

Leon points out that the Constitutional Court established in terms of last year's constitution is the most important judicial authority in South Africa — above that of the Supreme Court.

In terms of section 99 of the Interim Constitution, an attorney may be appointed as a judge of the Constitutional Court while the proposals of the Milne Inquiry suggest that such an attorney would not be eligible for appointment to the Supreme Court Bench.

Affirmative action set to take off

AFFIRMATIVE action in the public service would gain momentum immediately after the election, senior public service sources in Pretoria predicted this week.

However, they warned that a too swift transformation of the service could be disruptive.

The Urban Foundation's Ann Bernstein said the inadequacy of the existing service to respond to the challenges that lay ahead was already apparent. However, she added that the inexperience and background of the potential new public service would hamper a future government.

However, the ANC was establishing a highly trained corps of future senior government officials

GERALD REILLY

who had received public administration training abroad. Some of them would be integrated at the highest levels in the service up to director-general level.

Commissioner for Administration, Commissioner Ian Robson said that as far back as 1992, instructions had been issued to department heads to promote greater race representation in their establishments. This was already under way.

Robson said: "Obviously there must and will be changes in the profile of the service which should be a vital stabilising force in the post-election period."

DP public service spokesman Roger Burrows said that in converting to a more representative service, great care would have to be taken that talent and experience were retained. This was crucial if the transformation of the service was to be successful.

Sapa reports Tourism Minister Bhadra Ranchod yesterday said a training programme to equip blacks for tourism careers was to be launched through Satour.

Initially 10 cadets would be recruited at tertiary educational institutions for two-year training contracts, preparing them for managerial and professional positions.

Union criticises Eskom's policy

MINERWORKERS' Union general secretary Peet Ungerer yesterday criticised Eskom's affirmative action programme as being unrealistic, impractical and economically unsound.

He said the union was not against equal opportunities but was opposed to racial appointments and promotions.

Eskom was throwing economic principles overboard in favour of ideological dogma. The provision of electricity was a national priority and should not be subjected to political experiments by companies.

Ungerer said the Mineworkers' Union was the biggest white trade union in Eskom, with 4,000 members. — Sapa

Dream big. Life is short. Take off. Come to Nice. Nice is nice. How about Beijing. You've never been in Beijing? Chicago? London? Come fly Swissair. We'll help you to fulfill

marketing takes time and
Agencies criticised
Biday
on affirmative action

STATE intervention on affirmative action would be the forced result of the advertising industry's inaction, ANC human resources deputy head Papie Moloto said.

Speaking at the Sunday Times appointments advertising conference last week, Moloto said the industry still lacked professional advertising in indigenous languages. *113194*

"The scarcity of black advertising agencies meant the selection of an agency to handle the ANC election campaign was approached on a racial level."

He said the industry needed to develop the organisation and infrastructure to produce a generation of advertising people fully representative of the population.

Moloto said the ANC proposed to form a national labour commission as the first step towards formalising affirmative action legislation.

AMANDA VERMEULEN

He suggested the commission would facilitate the establishment of equity partnerships, joint ventures and black representation on boards of directors, based on a model of industry self-regulation.

"If the private sector is allowed to regulate itself on issues of affirmative action, it will be able to blow the whistle on those who are not playing by the rules. The state will intervene only if the private sector fails to use its self-regulatory powers."

He said an ANC government would look at a system of grants and levies to assist the private sector in affirmative action programmes. *(176)*

Affirmative action was a developmental issue and should not be politically motivated, he said.

"Excellence is needed in SA and affirmative action is all about excellence."

THE AGENCY 9547

Biday 113194
Charter Media
to sell small

AMANDA VERMEULEN

THE Newspaper Marketing Bureau has launched Charter Media to sell national advertising for small community papers.

Charter Media has 19 titles, eight owned by or linked to Caxtons.

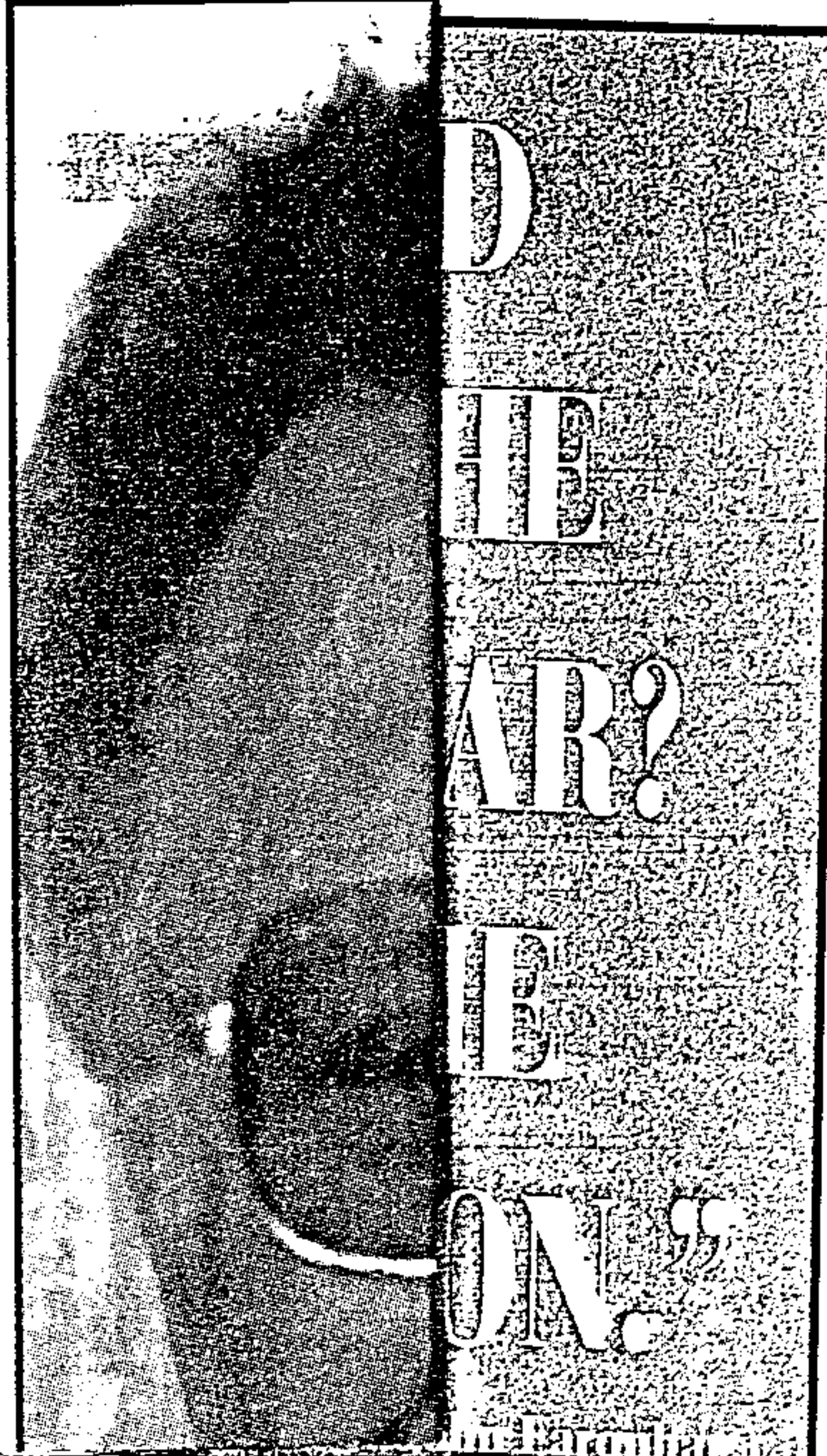
National advertising coordinator Danielle Klein said mainstream media reached 75% of SA's emerging markets but the small community papers were central to reaching the rest.

Charter Media was established to serve community papers and to offer advertisers the chance to reach other sections of the community. *(13194)*

Klein said response from agencies was encouraging. At present, advertising came mainly from political parties and grocery and furniture retailers. *(13194)*

She estimated that about R5m of advertising would be placed in Charter Media's first year.

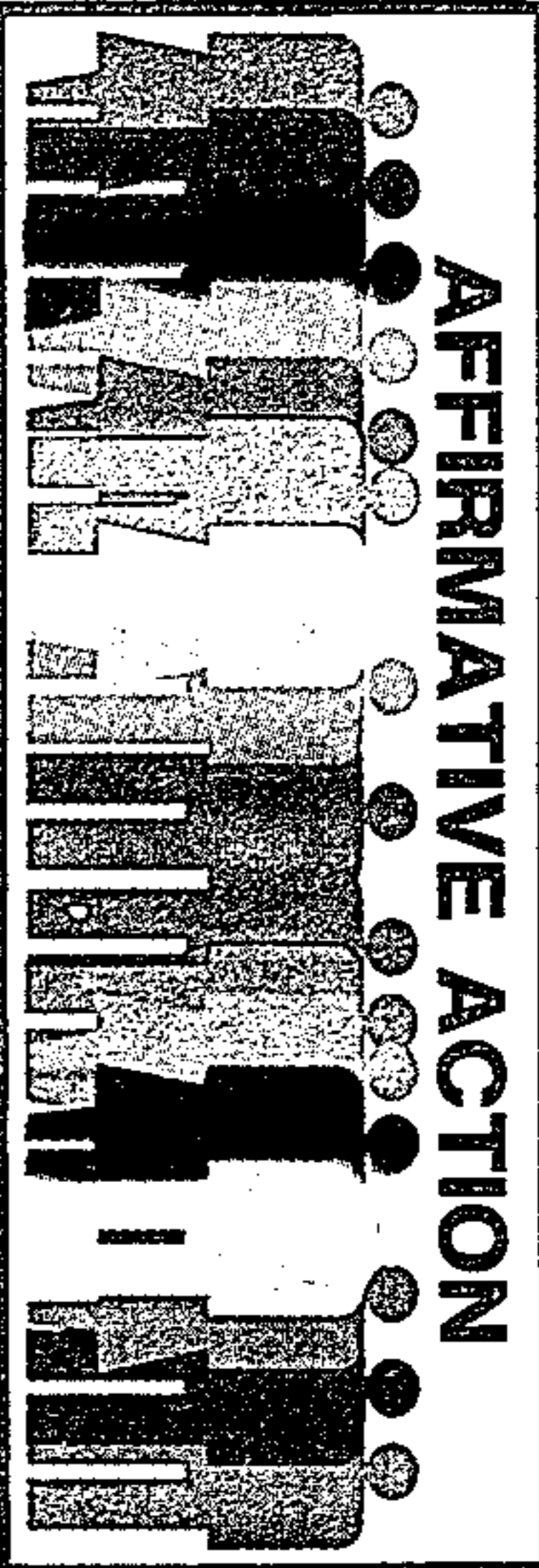
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Debate rages over race quotas versus equal opportunity



How to attain real parity?

APR 25/2/94

United States federal bodies aim to fix 'under-representation'

The Argus Foreign Service
WASHINGTON.— Contrary to a widespread impression in the United States and elsewhere, the explicit aim of affirmative action policies — at least at the federal level — is not to give preferential treatment to minorities or to set aside quotas of jobs for them.

The explicit aim of the federal affirmative action recruitment policy is merely to expand the pool of applicants from minority groups available to fill civil service jobs.

This is done through a variety of indirect programmes, the aims of which include increasing awareness among minority groups of federal job vacancies.

In the end, at least in theory, this pool of minority applicants must compete on equal terms with other applicants and meet the same qualifications for the job.

Quotas are, in fact, forbidden in the Civil Rights Act of 1961.

The official aim of the affirmative action policy is, in short, to achieve equality of opportunity, by correcting past inequities, rather than equality of result.

Whether it really does address itself to equality of opportunity or rather tries to achieve quotas surreptitiously, is the crux of a debate which is now the central issue in race relations and threatens to sour them.

The suspicion that the federal government is really practising a quota policy in disguise is aroused by the legal requirement that federal agencies must correct the "under-representation" in employment of minorities.

Most commentators and ordinary citizens believe that this in fact constitutes quotas. Polls show that a vast majority of whites reject quotas

as reverse discrimination. In one survey, one out of 10 white males believed he had been unfairly refused a job because of affirmative action.

Many polls show that, even among blacks, as many as half have doubts about the policy, expressing concern that it stigmatizes them all as recipients of welfare who are not really up to the job.

Some argue that it is especially unfair to give preferential treatment to a middle-class black over a poor white and that, if there must be affirmative action, it should be for the poor, regardless of race or sex.

The proponents counter that blacks continue to face substantial discrimination in America, no matter what their class.

They also contend that the critics of affirmative action have forgotten the decades-long abuse and discrimination against blacks.

As might be expected, a great deal of the opposition to affirmative action comes from free-marketeters. In a blistering critique last year, *Forbes* magazine blasted the policy as "neo-socialist" interference of government in the economy.

Critics say resources devoted to compliance with affirmative action could have been channelled into productive activity.

Affirmative action supporters have countered that the policy saves money by providing a bigger pool of job candidates from which to choose.

The debate rages on, fuelled in part by confusion and disagreement about what affirmative action actually means — equality of opportunity or preferential treatment.

The US Supreme Court and some lower courts have attempted to draw the fine line between these two, approving

PETER FABRICIUS
The Argus Foreign Service

In several landmark cases, the court had upheld affirmative action policies in various fields, but only if they are carefully tailored to correct a demonstrable, specific inequality rather than address discrimination in general.

In 1989 the US Supreme Court struck down a plan by the city of Richmond to set aside 30 percent of its contracting work for minority companies.

The court ruled that the set-aside was unconstitutional because they violated the Constitution's guarantee of equal protection under the law — and therefore discriminated against whites.

The US Supreme Court in 1978 ruled that universities could only reserve positions for minority students if they could prove that minorities had been unfairly excluded in the past.

The confusion and controversy about affirmative action derive from the fact that it brings two cardinal American values into conflict — egalitarianism and individualism — according to Seymour Martin Lipset.

To rebuild the lost national consensus on civil rights and racial justice, which existed in the '60s, he suggests, in a recent article, that affirmative action should not be discarded but re-focused.

The new focus should be education (which now tolerates substantial inequalities in spending per pupil). It should be extended and vastly improved, with more Head Start programmes and financial incentives for students, teachers and successful schools.

And this affirmative action programme should be available to all — regardless of race — who cannot afford a good education.

PETER FABRICIUS
The Argus Foreign Service

These are aimed at achieving real equality by addressing the consequences of past discrimination against minority groups and women, in fields such as employment, awarding of business contracts, education, housing and politics.

Affirmative action can be seen at its most explicit and formal in the employment practices of the federal civil service.

Since 1969, all federal agencies have been required by law to provide equal employment opportunities for all groups and to implement affirmative action programmes to correct past discrimination.

This has entailed mainly correcting "under-representation" — which means that women or members of a minority group constitute a lower percentage of the total number of employees within a particular employment category than they constitute within the qualified overall labour force in the relevant labour market.

The groups which benefit from affirmative action are women, blacks and other racial or ethnic minorities, the disabled, and Vietnam and special disabled veterans of all wars.

No federal law directly and explicitly requires affirmative action in the private sector. But private companies which do business with the federal government are contractually

obliged to practise affirmative action.

This is a vast undertaking. By one count more than 400 000 corporations — employing about 42 percent of the private workforce — does business with the federal government and must practise affirmative action.

Many other firms have voluntary programmes.

The federal affirmative action policy is enforced and monitored by a substantial bureaucracy, headed by the Equal Employment Opportunity Commission (EEOC) and an affirmative employment office in each federal agency.

Companies doing business with the federal government are contractually obliged to avoid discrimination and practise affirmative action in all aspects of employment, including recruitment, hiring, training, pay, seniority, promotion and benefits.

As with federal employment, affirmative action is not preferred treatment and does not mean that unqualified people should be hired or promoted.

In the field of education, affirmative action is less explicitly defined. The law is aimed mainly at prohibiting discrimination (including segregation) in any programme receiving federal financial assistance.

The federal government does not require educational agencies to practise affirmative action — to address under-representation or impose quotas — but allows them to implement programmes to increase minority enrolment.

Many local authorities have implemented bussing policies to enable minorities to attend "majority" — that is white —

schools to overcome segregation.

Most post-secondary institutions have voluntarily introduced affirmative policies, such as offering financial aid, to increase minority enrolment.

The Fair Housing Amendments Act of 1988 outlaws discrimination in housing, prohibiting discrimination in the sale, rental and financing of dwellings.

The federal government's affirmative action applies only to its own housing. The Affirmative Fair Housing Marketing Regulations are aimed at ensuring that persons of similar income levels in a housing market area have a like range of housing choices available to them.

However, they do not give preference to minorities, impose quotas or address under-representation directly.

They mainly require special marketing efforts to make minorities aware that public housing is available.

Federal affirmative action policies also are implemented less formally in other areas, such as the US House of Representatives itself, in which blacks were significantly under-represented.

Before the last elections, the federal government re-drew the boundaries of many voting districts (often into tortuous shapes) to put blacks in the majority in these districts and increase their representation in Congress.

In the 1992 elections, this helped push up the number of black representatives to its highest level — 39, or 8.9 percent of the 435-member house — still short of the 11.8 percent that blacks constitute of the overall population.

At lower levels of government, the most notable examples of affirmative action have been city "sheltered market" policies setting aside a certain ratio of city contracts for minority-owned businesses.

RESULTS

In general, the policy of affirmative action has had mixed and uncertain results, even for its beneficiaries — minorities and women.

In 1968, before affirmative action really began, black men earned on average 45 percent less than white men.

By 1977, that gap had been narrowed to 29 percent, but it has not narrowed since then.

And there are recent signs of reversal. During the 1990-91 recession, blacks were the only racial group to suffer a net job loss among the corporations reporting to the EEOC.

There were some suggestions that the corporations had been circumventing the rules by maintaining overall minority ratios but firing blacks at the expense of Hispanics and Asians.

And, even in the federal workforce, minorities were fired at three times the rate of white workers in 1992.

Despite the firings, though, blacks were still "over-represented" in both the public and private sectors. They represented a higher share of the staffs of EEOC companies — 12.5 percent — than of the US population (11.8 percent) or the overall US workforce (10.4 percent).

Whether or not affirmative action achieved this improvement from 1968 is not certain. Improved education and a tougher economy — which no longer indulged the luxury of discriminatory recruitment — could have also contributed.

Forum unveils blueprint for affirmative action

Biday 3/3/94

176

THE racial make-up of SA business must reflect that of the SA population within six years, the Black Management Forum says in its long-awaited affirmative action blueprint.

The rationale for affirmative action is that the "dramatic under-performance" of the SA economy stems from over-reliance on a "diminishing pool of white people".

The report — which was due to be unveiled last night by forum executive director Lot Ndlovu — calls for business to set achievable quota targets, applied at a national level and legally enforceable.

By the year 2000, 80% of all trainees should be black, 70% of supervisors, 50% of junior managers, 40% of middle managers, 30% of senior managers, 20% of executive directors and 30% of non-executive directors.

"Companies fail to provide meaningful, responsible positions to black people. Black managers suffer from underutilisation," it says.

"Affirmative action implies meritorious empowerment of individuals through opportunity and development. Assessment of merit should be based on fair, objective and non-culturally-biased standards."

JOHN DLUDLU

The handicapped and homosexuals should also be beneficiaries of the programme.

The forum concedes that the targets are tough to achieve. Blacks now account for less than 3% of management positions, there is a dearth of qualified blacks and the economy remains unfavourable.

The report says targets should be based on a skills resource database, a human resource plan and turnover rate, and should be set internally by each company.

Companies had to re-examine the ways in which merit had been traditionally defined, within the context of SA's history. Companies should also take into account an individual's potential, given appropriate training and motivation.

The report also adds that the issue of lowering standards has been used by those in authority to justify staying there.

Some job standards were irrelevant, with inflated entry qualifications. Ability could not be judged solely against qualifications and "abstract standards", but also on factors such as individual tenacity, motiva-

tion and the climate of the business environment.

Tokenism can be avoided by the proper implementation of targets, it says, which should be supported by training and follow-up programmes.

The report plays down the issue of "elitism" — where opponents have argued that affirmative action would lead to the emergence of a small black elite, without benefiting the masses.

It says elitism assumes "reactionary political attitudes and aloofness from the masses". This was not necessarily the case with black managers. "One can be part of an elite without being elitist."

The report says it is "crucial" to define the point at which the targeted quota has been hit. "Unless this is done, the process runs the real risk of turning into reverse discrimination rather than reversing discrimination."

The report also suggests that the forum appoint a committee of legal and constitutional experts to draw up an Affirmative Action Bill.

It fails, however, to deal with the poaching of black candidates by headhunters — an issue on which the forum has taken a strong stance in the past.

PAC outlines affirmative action policy

BISA 4/12/94
MARIANNE MERTEN

AFFIRMATIVE action under a PAC government would be "a series of deliberate corrective measures" to redress the socioeconomic and political injustices of apartheid, PAC president Clarence Makwetu said yesterday.

He told an Enterprise Investment Forum seminar in Johannesburg affirmative action was a proactive effort over a period of time. It was necessary to set up equal starting positions between different groups. Abolishing legal discrimination was not enough, he said. *(17b)*

Land reform, access to resources and democratising the economy were crucial to affirmative action.

The PAC would mobilise resources for these interventions through taxation, savings, self-help schemes and international sources.

If these were not successful, measures such as nationalisation and redistri-

bution would be considered. "Without this intervention, we are likely to continue underutilising our vast re-

sources," he said.

Increased productivity was essential to economic growth and SA's ability to compete abroad.

Report by M Merten, TML, 11 Diagonal St, Jhb.

Affirmative action warnings

JOHN DLUDLU

IF CORPORATE SA fails to implement affirmative action, an ANC government would have no option but to force companies to do so through legislative measures, the organisation has warned.

Speaking at a three-day Independent Electoral Commission conference on affirmative action, ANC investment adviser Don Mkhwanazi said his organisation's policy was that companies should take the initiative in redressing the imbalances created by apartheid.

However, he warned that if persuasion and encouragement failed to bear fruit, the organisation would ask government to impose legislative measures forcing companies to implement affirmative action.

He said he believed that all companies that implemented affirmative action programmes should be given incentives to enable disadvantaged groups to realise their full potential.

A legislative framework to prevent improper implementation of affirmative action would have to be formulated, he said.

"This framework will help prevent arbitrary subjective behaviour by companies on implementing affirmative action."

Mkhwanazi favoured the inclusion of an affirmative action clause in the Bill of Rights to give policy guidelines to public and private sector bodies.

The challenge now lay with the corporate community, he said.

"Our legislative actions in this area will be greatly influenced by their behaviour."

If this challenge was not successfully met, the new SA would run the risk of having unqualified people appointed to positions they did not deserve.

"Such a scenario will result in high costs in



MKHWANAZI

terms of efficiency, standards and services in SA," he warned.

Mkhwanazi told delegates at the conference that they should adopt a long-term approach to affirmative action.

"Today, evidence abounds of the results of concerted investment in human resources. Highly competitive nations in the world economy have one trait in common, and that is a high level of investment in people."

There was agreement among all stakeholders in SA that export-led growth would be re-

quired to achieve the high level of economic development which the country needed to underpin the emerging democratic order.

"Without affirmative action to accelerate the process of training and development, this growth won't be possible."

He pointed out that proper implementation of affirmative action, and the resultant economic growth, would facilitate redistribution of wealth in SA.

Affirmative action should not only be directed at corporate level, but should be implemented in all aspects of life in SA.

These included capital access, black business development, worker empowerment, the empowerment of women, rural empowerment, land ownership, and training and development.

Other areas which required affirmative action intervention were education, housing and the health sector.

Companies that failed to take up the challenge of affirmative action faced the danger of "vanishing from the face of the earth", said Mkhwanazi.

"If we don't implement these programmes at both the micro and the macro level, chaos and anarchy will result."

He said affirmative action, which was part of the ANC's reconstruction and development programme, should be underpinned by a massive programme of education, training, re-training and adult basic education.

"These programmes must empower not only individuals but communities and groups.

"The programmes also have to provide job security for pregnant women and promote the provision of child care, to advance women's equality in employment."

Mkhwanazi also called for legislation to establish a monitoring body to oversee the implementation of affirmative action.

THE race is on for universities to implement coherent affirmative action policies given their future financial dependence on a government-to-be that will more than likely demand this.

But most universities are lagging behind: they lack official affirmative action employment policies and only a few are making a concerted attempt to put them in place.

A report on gender and race in South African universities, published by the Union of Democratic University Staff Associations (Udusa) last year, revealed the full extent of the problem.

"The apartheid policies of the National Party government's approach to higher education has meant that academics and senior management in South African universities are overwhelmingly white. Even within so-called black African universities a majority of staff are white," the report said.

The report's findings on gender are even more disturbing: on average, the academic staff component at universities is 75 per cent male. Udusa's report goes further to point out that the majority of women are employed in junior lectureships and tutorial posts, while only five per cent are employed as professors or associate professors.

No university which described itself as an affirmative action employer was able to prove the existence of formal policy or implementation strategies.

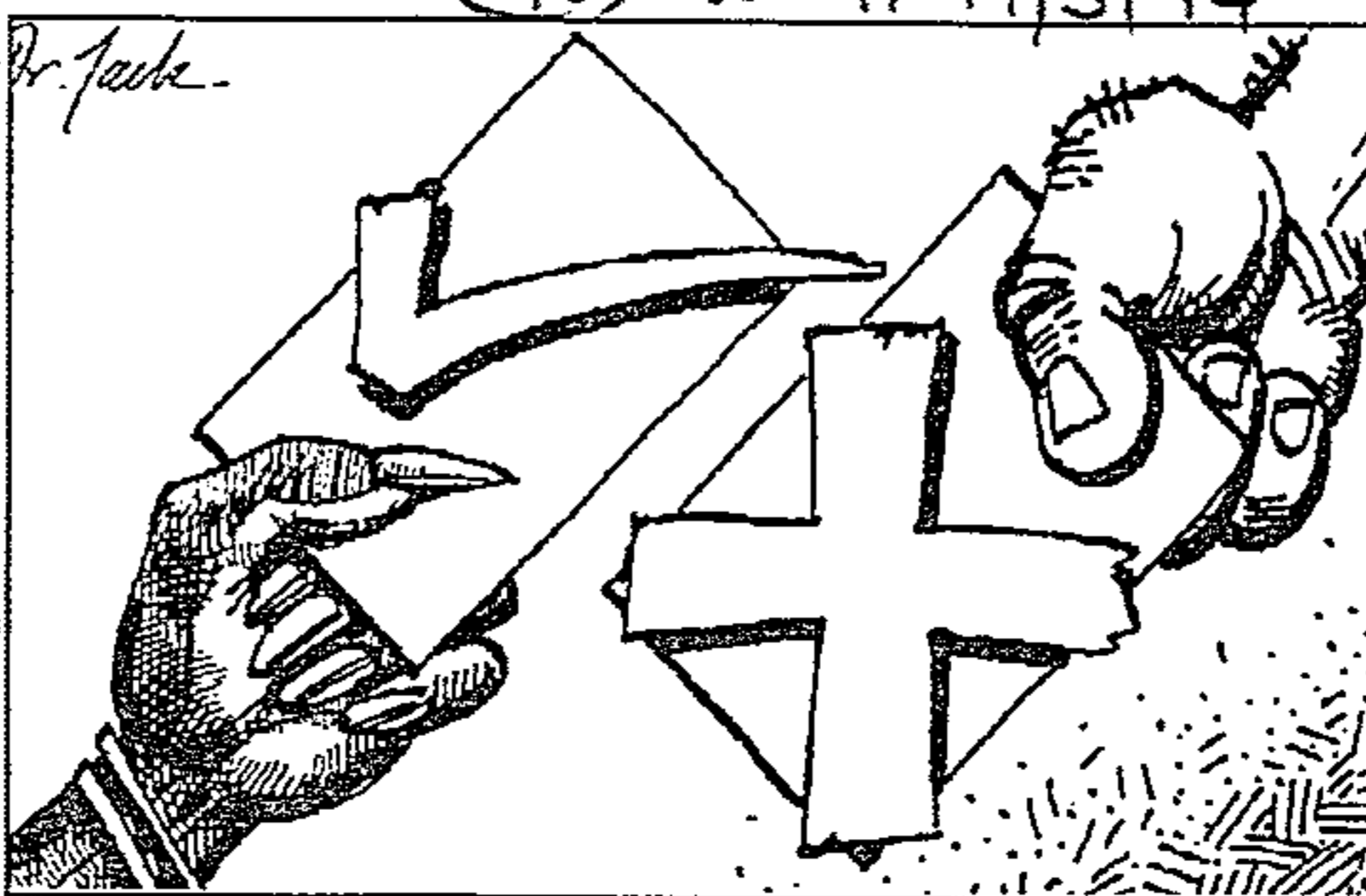
"All universities have started too late," says Professor Gerald Pillay, head of Church History at the University of South Africa (Unisa) and the convener of the committee developing policy to promote equity among staff.

"I think even the liberal universities, in an attempt not to buck the system, delayed their development policies. It was easier to blame the government, especially as it was wielding the financial stick."

While transformation processes and "Africanisation" are underway at some historically

Education lags behind on affirmative action

(176) WM 11-17/3/94



black universities, not one has yet developed a written policy.

The Udusa report concludes that it is highly unlikely there will be any "significant" changes in the horizontal and vertical racial and gender inequalities in our universities if the present "policies" of administrators are not critically reviewed.

Looking around, not much has changed since 1993 to suggest otherwise.

However, there is a stirring awareness by some universities that they have to take drastic steps towards accommodating discriminated against and disadvantaged groups if they are to survive in the future.

Dr Amanda Gouws, currently on the University of Stellenbosch's committee researching gender discrimination, a first for the traditionally Afrikaans "Harvard", feels more can and must be done.

"A gender committee is not enough, more is needed to eradicate discrimination and to change the teaching staff and student composition at the University of Stellenbosch," she said at an address last year.

Surrounded by controversy, affirmative action has always

been characterised by stalling and half measures.

The traditional argument has been that merit and standards cannot be forfeited in the selection criteria of students or in appointing academic and other staff.

But, says Pillay: "I'm not sure we have drawn the best academics. (These) criteria also let in the very mediocre."

At the same time he wants to avoid using affirmative action terminology: "We don't use the word. Rather we speak of policies for achieving equity, because the word is so loaded. It means so many different things to so many different people."

The lack of a common understanding of the concept is reflected in the state of play at the universities.

With the exception of UCT, the 21 universities surveyed by Udusa defined themselves as equal opportunity employers. UCT referred to its policy of "non-discrimination". There is a big difference between the two, however. Non-discriminatory policy allows the existing employment patterns and student compositions to perpetuate themselves whereas equal opportunity policy actively

aims not to discriminate and real change can be measured over a period of time. Few universities can claim to be pursuing the latter.

The Udusa report recommended that there be a national forum or interaction between universities to facilitate a common understanding of the issues at hand.

The Udusa report also discusses the possibility of legislation to achieve a degree of national cohesion within the process.

Comments Pillay: "It will be difficult to legislate affirmative action unless one can finance it and any new government won't have the resources. Primary and secondary education has already been prioritised at the expense of tertiary education."

The question of finance seems to be the bottom line for most approaches. UCT notes in its transformation booklet that insufficient funds is the only thing holding them back. Gouws proposes that additional funding is a basic prerequisite if any affirmative action policy is to succeed.

"I think many people use finances as an excuse; instead they need to use existing finances more creatively. I think it can be done with the money we have," suggests Pillay.

"It's an open market now. Before the universities were tied through government legislation. We've been protected and as a result we don't have the concept of private universities. This may well change. Each university will have to define for itself a constituency and market once notions of private and formal become relevant."

His closing words are a caution to other universities as well as his own efforts. His committee must present its policy this month for "urgent implementation."

"Enlightened policy can not just end up on universities letterheads and advertisements," he says. "Universities will be judged by what they do."

— Llewelyn Roderick

White youth fear being sidelined

Staff Reporter

CT 18/3

1944

MANY local white high school graduates say they will emigrate if sidelined by affirmative action policies — while black youth face bleak prospects with neither a new government nor big business capable of meeting their employment expectations.

This sobering picture emerged at an Institute for Futures Research congress in Stellenbosch yesterday.

UWC delegate Mr Roland Huckie said with six million unemployed South Africans below the age of 30, it was essential the youth be trained for self-employment.

Miss Carina Slazus, head girl of La Rochelle Girls' High in Paarl, said Paarl pupils had told her they would emigrate if forced to sacrifice too much because of affirmative action.

While white youth were prepared to share in the future economy, they general-

ly believed employment should be granted on merit only, she said. (176)

These views were shot down by coloured youth representative and self-employed businessman Mr Crispin Sonn, who argued that this would favour whites.

ANC economic spokesman Mr Trevor Manuel said there was every indication that only three percent of school-leavers would find formal employment this year.

Satour launches drive to train black tourism promotion staff

B/Dey 14/3/94

THEO RAWANA

THE SA Tourism Board (Satour) is to set an affirmative action programme in motion by recruiting black cadets to be trained in career paths within the organisation.

Tourism Minister Bhadra Han-
chod last month said he had as-
sured National Tourism Forum
chairman Peter Mokaba that Sa-
tour already had a policy of affir-
mative action, after Mokaba
voiced concern over black repre-
sentation in Satour. (176)

Satour said in a statement at
the weekend that the practical
and theoretical training scheme,
to be run over two years, would
"further facilitate inclusion into
the industry of previously disad-
vantaged persons.

"Cadets will be selected by a
panel consisting of Satour staff
members and other role players
in tourism".

It added: "Satour believes that
the development of tourism in SA
should involve all South Africans.
A national tourism awareness
programme was recently
launched in this regard."

The course content was being
developed and would include an
introduction to tourism, research
and information management,
communication skills, budget con-
trol and interpersonal skills.

Satour said the cadets would be
allocated to its different depart-
ments, with people of the rank of
at least senior tourism promotion
officer (STPO) being appointed as
"guardian" for each cadet.

"Periodic reports on their pro-
gress will be submitted to man-
agement and successful cadets
will be appointed as assistant offi-
cers," Satour said.

'Support needed' for black business

B1 Day 15/3/94

Reports by
THEO RAWANA

THE creation and promotion of black enterprises was the only process that would guarantee a lasting and economically beneficial outcome for all communities and individuals in SA, Small Business Development Corporation MD Ben Vosloo said yesterday.

Speaking at the Black Economic Empowerment conference at Midrand, Vosloo said the business community viewed the other options — nationalisation and distribution of wealth — as a threat to the economy.

It was necessary, also, to acknowledge that no affirmative action strategy had the potential to alleviate the unemployment crisis that awaited SA's economy in the decades ahead.

"Under these conditions, a third approach to black economic empowerment is required. The Western world demonstrated during the 1980s that small and medium enterprise creation and growth was the

only effective employment-creating force in market-based economies."

Already, forced entrepreneurial activity was the only option available to many in SA. (176)

Vosloo said support should be given especially to black business entrepreneurs who had on average 10 years of schooling, had served an apprenticeship or had employment experience, had entrepreneurial rather than survival motivations, or who were 10 years older than the average small businessman.

"A vital element of the economic strategy should be the empowerment of our black people, not merely by creating various affirmative action programmes that will help a limited few of the unemployed in black society, but rather by making finance and support services available to them, so they can develop into productive members of our economy."

Just like Irish coffee

...black at the bottom, white on top with a sprinkling of chocolate titbits

ROGER FRIEDMAN

Weekend Argus Labour Reporter

ACCORDING to the Black Management Forum, Western Cape companies still resemble Irish coffee — black at the bottom, brownish in the middle and white with a small sprinkling of chocolate on top.

"Affirmative action is still just a little project relegated to the human resources departments of corporate South Africa," Gavin Pieterse of the forum's Organisational Transformation Task Team said this week.

"Activity is still largely centred on getting the numbers right... affirmative action should not just look at the upward mobility of a small group but should rather look at empowering people throughout the various organisations."

Cosatu agreed.

"The racial division of labour remains untouched," said na-

tional spokesman Neil Coleman.

"We are looking at white faces, black masks. The disempowered workers remain black. The approach to affirmative action needs to be seen as the complete revolution of the workplace."

But Johannesburg-based management consultancy FSA-Contact disagreed. They had figures to prove affirmative action "took off" in 1994.

Not only were black faces occupying more and more senior management positions, but white faces were on the increase in junior positions, their Special Survey on Salary and Wage Movements and Labour Trends revealed.

The Afrikaner Handelsinstituut backed up the FSA-Contact findings.

They said affirmative action was already taking place, making legislation unnecessary.

"It is definitely happening. They are all doing it and it is working. There should not be

■ Affirmative action received a shot in the arm this week when the draft Labour Relations Bill was unveiled.

legislation as proposed by various organisations," Western Cape director James Vorster said.

"We feel it must be practically-executed and left to the individual companies," he said.

Yes. Whether to force companies to "affirm" through enacting legislation, or whether to leave it to self-regulation remains the question on everyone's lips.

According to the labour ministry, a process of discussion involving a variety of role players and aimed at "forming policy, not necessarily legislation" would determine the course of affirmative action.

A spokesman for Labour Minister Tito Mboweni said this week: "We are engaging these organisations in discussion and based on the discussions, we will formulate policy. "Whether to legislate or not

will arise out of the discussions."

Pre-empting the outcome of the discussions, however, the draft Labour Relations Bill unveiled by Mr Mboweni fires the first salvo.

The entrenchment of "workplace forums" for companies employing more than 100 people will, for the first time, give traditionally disempowered labour a voice outside the bargaining forums.

If the Bill makes it intact through parliament in May, workers will become partners in decision-making on non-wage issues such as working conditions.

The Bill emphasises voluntary collective bargaining through mechanisms designed to place employers and employees on an equal footing, according to labour law expert Professor Halton Cheadle, who

headed the ministerial task team that drew up the draft legislation.

The workplace forum provision was hailed by Mr Coleman as the "real thing".

"Affirmative action should be seen as an overall programme implemented through democratising the workplace, education and training.

"Legislation has to be part of the package but should be seen as a weapon of last resort. We do not see legislation as the primary vehicle. The primary vehicle is democratising the workplace."

FSA-Contact's recent survey of 86 public and private-sector organisations of all sizes found that 84 percent of them already had "some form of affirmative action policy in place".

This compared to 74 percent of companies with affirmative action policies in 1993 and 58 percent of companies in 1992.

At senior management level the percentage of black em-

"We see a few individuals placed in senior management positions who are not involved in decision-making."

Mr Coleman said, "but to the ordinary worker they mean nothing because of the elitist approach to affirmative action."

"Statistics are fine," Mr Coleman said, "but to the ordinary worker they mean nothing because of the elitist approach to affirmative action."

And at the less specialised level the number of black employees has declined from 60 to 37 percent, while white employees have increased from 24 to 34 percent.

Nearly half of all middle-management positions are now held by black employees — up from 31 percent in 1993.

This was accompanied by a drop in the percentage of white employees from 91 percent in 1993 to 68 percent.

year while the number of Asian employees at this level increased from 4,5 percent to 14 percent.

players increased from 3,5 percent in 1993 to 18 percent last year while the number of Asian employees at this level increased from 4,5 percent to 14 percent.

Male, pale and still managing

(176) ST (BT) 2/5/95

LESS than four percent of managers are black, says an authoritative study into affirmative action by the University of Cape Town's Graduate School of Business.

The Breakwater Monitor project says while the number of black managers almost doubled over the past two years, middle and upper management structures remain dominated by pale males.

The Breakwater Monitor is a national human resource database established by UCT and 130 leading private and public sector firms employing about one million people.

In the inaugural study in October 1992 the companies surveyed employed 248 black managers, 2,33% of the total, with whites accounting for 93% and coloureds and Asians for just over 4%.

In September last year the number of black managers had risen to 421 (3,77%), while coloured and Asian managers accounted for 5,2% of the total. The

By SVEN LUNSCHE

overall representation of women in management was 9,3%.

The study says if recent affirmative action trends continue, 33% of managers will be black by 2 000, but only if the total management pool increases or white managers leave their positions.

The reluctance of white managers to leave and the limited pool of black executives are two of the main reasons cited for the slow progress of affirmative action.

Mish Mogatle, human resources manager at the Development Bank, says tokenism is still a feature in many companies, forcing black executives to seek more "meaningful" positions.

The Development Bank and Eskom are two of the more successful companies, but even their black management representation is limited to 13% and 10% respectively.

THE AFFIRMATIVE ACTION PICTURE

	WHITE	BLACK	COLOURED	ASIAN
October 1992	93,36%	2,33%	3,03%	1,28%
September 1994	90,87%	3,77%	3,03%	2,16%
September 2000	83,46%	12,77%	3,03%	1,74%

Graphic: FIONA KRISCH

Source: UCT BUSINESS SCHOOL

By MAGGIE ROWLEY
Deputy Business Editor

SA COMPANIES had the chance to lead the world in introducing institutional practices which combat racism, says Margaret Legum, a UK-based trainer and head of the organisation Preparation for Adaptation to Changing Environments (PACE).

SA-born Legum who is in South Africa to run workshops for a number of top companies, said that acknowledging and recognising racism was the first step to establishing good practices in the workplace.

In the light of affirmative action being implemented at all levels throughout SA, the need for people to confront their own racism and employ anti-racist practices was imperative if equal opportunity programmes were to succeed, she said.

With its racist legislation and practices of the past, South Africa had an ironic advantage over many other countries in eliminating racist practices.

"In all the workshops we have held, no one has denied the existence of racism.

"And South Africa, being a highly industrialised country with the majority of its population being black, has an advantage over other industrialised nations such as the UK and the US, where the majority of the population is white and they do not have to take the racism issue as seriously," she said.

Legum is running training courses for a number of large corporations

Ensuring action is affirmative

CT 13/1/94 (176)

More black employment in financial services

Business Staff

THE financial services sector has increased its employment of black people, even though overall employment levels declined in the year to September 1993, according to figures released by the Central Statistical Service (CSS).

The CSS points out that in the period there was a 4,1% increase or 1 070 more blacks employed in the sector.

During the same period salaries and

wages and bonuses to black employees increased by 29,6% or R48,5m.

A spokesman for a leading bank said that "there is no discrimination at the bank and that salaries were applied based on the job."

"The strategy over the last two to three years has been to increase black employment levels."

However he said that there had been "no major changes" at management levels yet.

including Eskom and BP geared towards helping people understand racism and developing "good practice" in the workplace.

The courses, aimed at middle and top management, are being held under the auspices of the CARAS (Centre for Anti-Racism and Anti-Sexism) Trust which is being set up by Professor Tom Ryan of the School of Engineering Management at UCT and Mel Palmer.

Legum and Ashok Ohri of the UK-based Organisation and Social Development Consultants (OSDC)

stresses the courses are not aimed at winking out racists but rather at enabling people to see how they have been affected by racism.

"We are concerned at looking at what each of us has taken in from our environments and how this has resulted in maladaptive behaviour." The workshops also allow participants to analyse current modes of operations within their organisations and how practices can be improved.

Badly done affirmative action programmes, she said, merely amount-

ed to bad management practices and resulted in black employees feeling victimised and white employees feeling aggrieved at the allocation of the majority of resources to their black counterparts.

Many organisations, she said, had found that in spite of the introduction of various equal opportunity programmes, the results had failed to meet expectations.

"Our experience shows that a deep understanding of racism creates the foundation on which cross-cultural and equal opportunity programmes can be laid.

"Participants leave the workshops having formulated the outline for a plan of action."

Ohri and Legum will also be running a three day workshop in Cape Town from January 27 in conjunction with CARAS. The cost of the course, which can take a maximum of 20 participants, is R2 000.

This will be followed in February by a 10-day programme to train trainers in an attempt to build a network of accredited trainers among black and white people who are already working on understanding and combating racism.

The course, to be held from February 21 to March 4, costs R7 000 per person.

Palmer said they recommended that each organisation send at least two delegates — one with black experience and one with white experience as their research has shown that this benefits the organisation most.

For further details contact Dorothy Guest at 24 3140.

Affirmative action in companies up by 25%

SHARON SOROUR
Labour Reporter

(176)
ARG 26/5/94

THE number of South African companies implementing employment equity policies increased by 25 percent in the past two years.

This is one of the trends to emerge from research by leading human resources company FSA-Contact, which recently conducted an "affirmative action monitor" to follow up a survey done in 1992.

According to the latest report, South African companies which have implemented affirmative action programmes have set themselves "optimistic" targets for black advancement and promotion.

"There was a 25 percent increase in the implementation of affirmative action policies in the past year with almost 73 percent of the responding organisations having some form of policy in place aimed at black empowerment," said report co-ordinator Harriet Webster.

Ms Webster said the "face" of the workforce was slowly changing.

"From 1992, the percentage of black senior managers rose from 1,9 percent to 3,9 percent. By 1997 companies project this will rise to 14,1 percent while the number of white senior managers — which declined from 97,4 percent to 93,7 percent between 1992 and 1994 — is expected to drop to 76 percent by 1997."

While companies planned to increase the number of black senior managers by 10,2 percent by 1997, Ms Webster said this could be regarded as optimistic, "particularly when the trend of the past five years has been an increase of between 1,7 and two percent".

Other trends to emerge from the report:

- Only nine percent of companies do not intend implementing an affirmative action programme.

- A total of 52 percent of "soon-to-be implemented" affirmative action programmes are in response to threats of legalisation or imposed quotas.

- Companies predict a 20 percent increase in the number of coloured workers in lower skilled positions by 1997.

- A total of 30 percent of companies are paying salary premiums of up to 50 percent to attract top black personnel.

- Targets for black advancement and promotion are unlikely to be met without significant increases in training and development.

- At least 96 percent of affirmative action programmes are "reasonably" successful, while four percent are unsuccessful.

- Commitment to affirmative action programmes is dwindling at middle and line management levels.

- At least 12 percent of companies have experienced a drop in standards as a result of affirmative action, compared with 24 percent in 1992.

- All affirmative action programmes focus on black empowerment, while 78 percent focus on coloured and Asian staff, 66 percent on female advancement and 31 percent on disabled staff.

- Half of the companies researched had experienced resistance to affirmative action from white employees and inflated expectations from black employees.

NEWS FEATURE ANC says it will not impose affirmative quotas on companies

Affirmative action must be legal

By Joshua Raboroko

SOME form of legislation negotiated between business, trade unions and the Government must be instituted in the South African constitution to promote affirmative action.

This view has been expressed by business consultants, managers, the Institute of Personnel Management and the Black Management Forum in their quest for the "complete eradication" of racial imbalances on the shop floor.

They maintain that the new constitution, which includes a Bill of Rights, contains a clause guaranteeing equality to all persons irrespective of race, gender, mental or physical disability, sexual orientation, nationality or religion.

It is this clause which will outlaw discrimination and sanction affirmative action.

However, it is probable that the bill of rights will have to be supplemented by legislation on discrimination, affirmative action and employment equity.

This equity will determine, for example, whether and how employers are compelled or permitted to implement affirmative action.

INDUSTRIAL QUEST Need for

eradication of racial imbalances: (Fie)

der, disability and race sensitive." The BMF has released a blueprint which is expected to form the nucleus of affirmative action legislation.

The blueprint proposes affirmative action that aims at employment targets subject to negotiation between the equal opportunities commission and companies in terms of broad parameters determined by the Government.

BMF's executive director Mr Lot Ndlovu says: "We seek a time limit on targets after which the programme should be retired. "Failure to meet targets will invoke non-negotiable quotas and a system of penalties, including public exposure of delinquent companies."

Senior lecturer at Unisa's School of Graduate Business Leadership Mr Delisive Dlodlu says companies might be obliged under the new Government to submit annual reports detailing their performances in the field of affirmative action.

The IPM supports an Affirmative Action Commission which will be the "watchdog" of affirmative legislation and implementation.

Commission

In a statement on affirmative action the IPM says it believes that this commission must have sufficient power and autonomy to be effective in society.

It recommends that the AAC establish task groups which will be charged with the following:

- To ensure that affirmative action legislation is appropriate and relevant;
- To determine when affirmative action goals have been achieved;
- To communicate to society how affirmative action will work within the Bill of Rights; and
- To monitor, evaluate and publish organisation progress against set national objectives.

The IPM says: "Affirmative action is a business strategy and process aimed at transforming the socio-economic environments which have excluded individuals from disadvantaged groups in order to gain access to opportunities based on their potential."

It contends that affirmative action covers all activities designed to redress the imbalances as a result of apartheid and to create a society where everyone has the same chance to get on in life.

"We believe that women and people with disabilities should benefit from fundamental equal opportunity situations which are gen-

Warning on jobs for blacks

CT 17/5/94
(176)

Own Correspondent

JOHANNESBURG. — The ANC will enact legislation to enforce affirmative action if employers fail to tackle the issue effectively within the next 18 months, ANC economic adviser Mr Don Mkhwanazi said yesterday.

Mr Mkhwanazi was speaking in his personal capacity at a conference on affirmative action hosted by International Executive Communications in Sandton.

He said employers who believed affirmative action programmes that put a few token blacks into management positions would be welcomed by an

ANC-led government of national unity should think again.

The ANC did not want to interfere in business, but if corporate South Africa was unwilling to redress past imbalances voluntarily and effectively, targets would be set by the new government.

Employers had 18 months in which to implement meaningful changes incorporating affirmative action, or face legislation.

Companies would have to look far beyond traditional affirmative action concepts.

Worker empowerment through affirmative action programmes was a key element of the ANC's

Reconstruction and Development Programme.

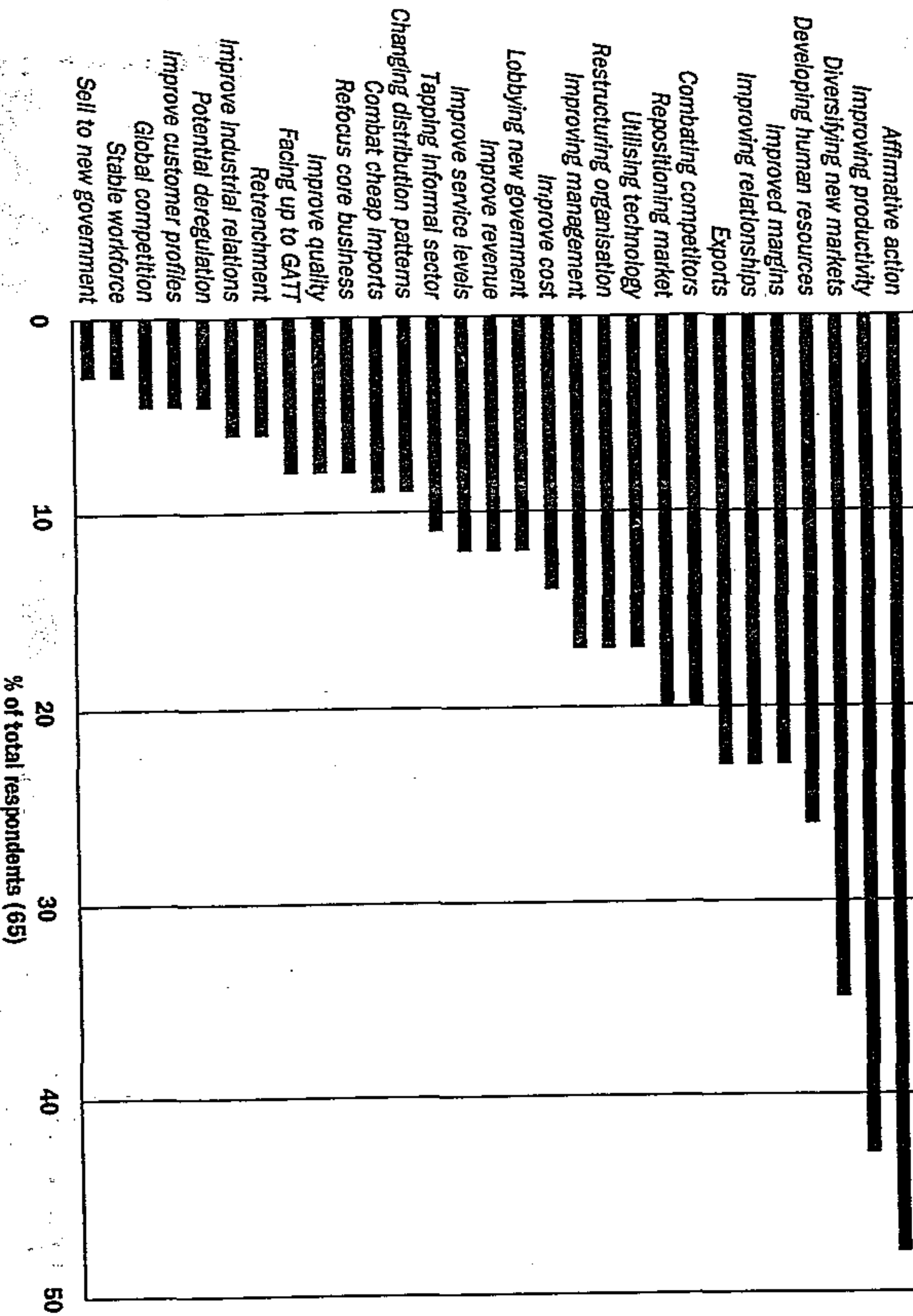
"Legislation must facilitate worker participation and decision making in the world of work," he said.

Other options were being discussed to ensure previously disadvantaged communities had access to capital formation and loan facilities.

Mr Mkhwanazi spoke of a national enabling fund that would guarantee loans to black entrepreneurs establishing small and medium enterprises.

He suggested financial institutions should set aside a portion of their loan portfolios for black development and empowerment.

Top strategic issues facing business in the new South Africa



Graphic: RONNA KRISCH

Source: PERRY AND ASSOCIATES

Affirmative action gets top priority

By KEVIN DAVIE

AFFIRMATIVE action is the main strategic issue facing business, says a survey of 65 executives whose companies have combined sales of R20-billion a year.

The Perry & Associates survey shows nearly 50% of respondents gave affirmative action as the biggest challenge they face.

Mike Perry says affirmative action has rapidly come to the fore, particularly in the past few months.

He says affirmative action is given such priority that board approval for hiring whites is required at more and more companies.

"The process speeded up when it was realised that the election was definitely on," says Mr Perry.

Affirmative action should be both internally and externally driven. It is, for instance, important to have black sales managers able to sell to the new government.

But issues which least trouble business include selling to the new government. Others are a stable workforce, global competi-

tion, improving customer profiles and potential deregulation. 11/21/94

Facing up to the consequences of the new General Agreement on Tariffs and Trade is ranked low by less than 10% of respondents, though more than 20% see a need to improve export performance.

Respondents expect a successful completion of the elections, removing uncertainties which have hampered decision making in the past two years.

Mr Perry says: "The next two weeks will see the announcement of new projects, including joint ventures with multinational corporations."

"The combination of top strategic issues they perceived was a mixture of human relationships, improving productivity, cutting costs and improving margins, and repositioning their companies for new markets which will emerge," says Mr Perry.

Board sets affirmative action target for 1997

AT LEAST 50% of SABC staff in all positions would be black by December 31 1997, according to affirmative action targets announced on Friday by the SABC board.

The SABC aspired to be "a true people's service" and would therefore "ensure staffing structures equitably reflected the demographic structure of SA society as a matter of urgency", the board said.

Africans, coloureds and Asians, women and other marginalised groups would be given priority in the corporation's promotion and employment policies. An internal monitoring committee would provide monthly feedback on new appointments to the board.

Line managers would be assessed by their capacity to help develop historically disadvantaged employees, although the board recognised that the 50% target ratio might not be achievable in all divisions.

Salary scales and benefits would not be discriminatory and the principle of equal pay for work of equal value would pertain.

Differentiation in salary scales would pertain only to the status, responsibilities and level of performance of incumbents, or in cases where there was a scarcity of applicants.

Promotions would take into account the "potential of incumbents from historically disadvantaged groups in lieu of the experience denied them". The affirmative action programme would be transparent and "by

MARK ASHURST

its nature a temporary measure", said the SABC statement.

The corporation was also committed to greater representation of women at senior levels, although the policy would "neither mean the exclusion of white male employees nor obligatory retrenchment merely for being white". (250) (176)

SABC labour relations director Christo Pretorius said the corporation was aware that a lack of professionalism among staff was an obstacle to improving programme quality.

"Training and development is a central part of the package. Affirmative action will improve quality because programme makers will understand the relevance of their material to the communities they serve. The SABC aspires to be programme-driven," he said.

But SABC GM Fred Coupe, currently acting human resources and training head, said there was a need to redefine the SABC's training programme and pinpoint areas for development.

The future of any affirmative action programme would depend on the appointment of senior managers in positions that had been vacant for more than a year. "I am doing three jobs at once," he said.

The board had interviewed three candidates to head training and would hold further interviews on August 17.



SA firms (176) aim to have 30% black managers

CT 30/8/94
Business Staff

MOST SA companies aim at recruiting between 20% and 30% of their executives from disadvantaged groups by the year 2000, according to the latest FSA-Contact Executive Survey.

Its report says that 53.3% of the 1200 companies participating in the survey "indicated that they have an affirmative action policy at executive level and 44.2% are working towards specific targets."

These targets varied from 8% representation of disadvantaged groups by the end of 1997 to 50% by the year 2000. "The most frequent response, however, was from 20% to 30% by the year 2000."

HSRC to employ black majority before 2000

BIDay 22/11/94

Business day Reporter

THE Human Sciences Research Council (HSRC) had introduced an affirmative action programme which would ensure that 55% of the council's staff would be black by 1999, CEO Rolf Stumpf said yesterday.

Outlining the HSRC's "open book policy", Stumpf said the council would not hesitate to take drastic steps to ensure its survival, and in line with this its present board of 11 members — responsible for the control and management of the publicly funded body — had formally declared its intention to step down to allow for the appointment of a more representative board. (176)

Although the board's current term of office only expired in June 1996, proposals in this regard had already been made to Arts, Culture, Science and Technology Minister Ben Ngubane.

Confirming the HSRC's commitment to SA's sustained reconstruction and development, Stumpf said 17% of graduates at the council were black, compared with other science councils' 3%.

Stumpf also said various steps had been taken to remedy inadequate financial discipline within the organisation, including spending cuts.

He said the HSRC had been established under the previous dispensation, and research with no

immediate practical value had often been carried out at taxpayer's expense.

In line with the new policy of financial discipline and transparency, the body had eliminated purely academic research projects and would allocate no further funds to such projects.

"For any service we render we can now say precisely what it costs. Our whole cost structure has been made so transparent and disciplined the Auditor-General has been prepared to sign our annual reports, something he declined to do in previous years," Stumpf said.

This year the HSRC would spend almost R8m of its research budget on education and occupational training, while substantial amounts would also be allocated to projects aimed at combating poverty and socioeconomic inequality.

The council was providing resources to research projects which promoted government's reconstruction and development programme.

"There is broad support within the HSRC for the new approach, but there are of course some researchers and others who are not happy with what we are doing," Stumpf said.

BUSINESS

Affirmative action confuses SA firms

W/Mail 25/6-1/7/93.

THE business community has real difficulty grasping the essence of affirmative action, judging by a special survey on the subject.

Almost three-quarters of the 700-odd respondents to Quest Personnel Group's affirmative action study appear to believe that an "equal opportunity" programme is the equivalent of affirmative action.

A total 43 percent of those polled by Quest concurred with the consultancy's definition: "A programme of action instituted by the management of an organisation to recruit, train and nurture certain sectors of a community in preference to others — for example, blacks in preference to whites, or females in preference to males."

Half of these considered their policies successful. But, on probing, Quest found only 29 percent interpreted this as meaning blacks and women or both would be preferred in management positions. Of the remaining 71 percent, says Quest, only one-quarter claimed to have plans to adopt such a policy.

The study shows that being crippled or gay still entails some active discrimination. One company in 10 indicated it would reject a crippled person as a candidate for a management position.

Only 14 percent of the companies were likely to reject a homosexual. But companies fear Aids: 39 percent would probably, says Quest, reject outright a suitably qualified candidate if it found out he or she had Aids.

A survey has revealed that businesses believe that 'equal opportunity' is equivalent to affirmative action.

By REG RUMNEY

Religion and the ability to speak an African language were not important issues for businesses surveyed, but bilingualism in Afrikaans and English were, particularly in Pretoria and Bloemfontein.

Overall, 43 percent of the respondents said bilingualism in Afrikaans and English was important for a management position.

How would companies react to legislated affirmative action programmes? While a race-based affirmative action programme would be accepted, other disadvantaged groups would lose out.

A legislative programme based on age would be resisted, and one based on race most accepted. A full 56 percent of the respondents would accept a race-based programme, and 39 percent would oppose it; 49 percent would oppose an age-based programme.

An affirmative action programme based on sex would engender heated debate: more than half would accept it, while 43 percent would oppose it.

A programme based on physical disability would similarly be accepted by more than half of companies polled and 42 percent would oppose it.

Profile of monthly paid employees



Still far from equal, let alone representing the racial mix of the broader South African population, is the composition of SA firms. As the graph shows, white males still predominate among the monthly paid employees of companies. The converse is that weekly paid — that is, blue collar — workers are still mostly black, according to a recent survey undertaken by Quest Personnel Group.

Plastics venture shapes a new industrial mould

W/Mail 25/6-1/7/93.

By REG RUMNEY

THE planned R2,5-billion joint plastics venture, announced last week, between Sasol and AECI cuts across a number of preconceived notions about industrial strategy.

The joint venture will merge the plastics businesses of the two companies to make a vertically integrated company which, it is

CALLING NON-GOVERNMENT ORGANISATIONS

Affirmative action plugs gaps as whites quit

JES PARKER

DURBAN. — Indian people are the top earners in the Government — for the first time taking in more than their white counterparts.

At the same time, a survey shows, affirmative action appointments of blacks are plugging the gaps left in the civil

service as white public servants quit their posts by the thousand.

The Central Statistical Service (CSS) survey for the first quarter of 1995 reveals that Indians in national and provincial State departments in March earned salaries averaging R3 871 a month. Whites got

R3 818, with coloureds trailing on R2 627 and blacks bringing up the rear on R2 415.

CSS found the service gained a net 5 817 black employees between October, 1994, and the end of March this year. In that period, close to twice that number of whites — 9 523 — quit

their jobs in what was once the bastion of white Afrikaner employment.

Of about 1,89 million people in the civil service, including Transnet, Telkom and the Post Office, 52 percent are black and 22,5 percent white. About a quarter are Indian and coloured

people.

Meanwhile, the Public Servants' Association (PSA) says that the roughly 6 000 white state employees who left the service in the first three months of this year could account for as much as one in six of people in managerial positions.

Government contracts to be tied to affirmative action

(176)

Star 21/8/95

■ BY ROSS HERBERT

A points scheme that rewards firms for their affirmative action policies will play a key role in the awarding of contracts under a new system to be launched by the department of public works next month.

The system would govern an estimated R300 million a year in contracts to consulting, engineering and architectural firms.

Jeff Radebe, the minister of public works, said the system was intended as a model that other government departments, provincial governments, parastatals and private-sector firms could follow.

The goal was to expand the capacity of black professional construction firms and reverse their historic exclusion from government contracting.

According to the department, 5 percent of the consulting firms win about 80 percent of the contracts awarded by public works.

"If we don't broaden the economic cake, we are creating an economic time bomb," said Radebe.

The department would create a pilot roster of available engineers, surveyors, architects and other construction-related professionals.

Firms would be awarded points and ranked on the roster

based on their track record in such areas as hiring, alliances with black firms, programmes for bursaries, in-house training and mentorships.

The old roster of consultants would be maintained, but the "choice" contracts would be doled out according to position on the new roster. Contracts would be awarded to firms on the list on a rotating basis.

To develop disadvantaged firms, the department would also use the roster to pair established and disadvantaged firms to work together on contracts.

Interested firms had until September 22 to return questionnaires to the department.

To guard against sham affirmative action programmes, the department would ask for extensive details of firms, audit their performances and impose penalties on those bending the rules.

"The department feels it can play a crucial catalytic role in transforming the whole trade. If one just turns up the volume in the construction industry without substantive changes, we will just perpetuate past inequities," said Sivi Gounden, the deputy director-general of public works.

Gounden said the department was heading several initiatives to reform the construction industry.

(176)
AFFIRMATIVE ACTION
FM 11/8/95
Asmal gets cracking

Water Affairs & Forestry Minister Kader Asmal has come up with an "Employment Equity Policy" for his department based on a determined drive for affirmative action. The ministerial directive includes the setting of "numerical goals (not rigid quotas)" for hiring, training and promotion, and putting pressure on suppliers to implement similar policy.

Never backward in coming forward, Asmal says that employment equity is one of the "defining issues" of our time and "one of several areas in our new democracy where the direct and active leadership of Ministers is central to real progress."

The policy is "built around the core concepts of corrective (or affirmative) action and fundamental equality of opportunity" — ideals some believe to be in conflict.

With "full support" from his department, however, and mandated by the constitution and RDP calls for a more representative (and democratic and efficient) public service, the Minister intends to "break decisively with the inefficient and unrepresentative practices of the past" and to implement the new code instead.

Employment equity is defined as "the right to fundamental equality of opportunity among all persons and the right of every person to be treated fairly in seeking and maintaining employment on the basis of authentic merit principles rather than inherited practices rooted in habit, intuition, complacency or prejudice."

"Fundamental equality of opportunity" refers to "authentic equality of opportunity arising as a result of effective corrective action to remove the illegitimate disadvantages imposed on categories of persons by apartheid." It is, in typical Asmalese, to be "distinguished from formal equality which ignores historical disadvantages and requires a superficial sameness in the treatment of individuals." And it "can in part be

measured by the related idea of representativeness — the idea that the department must in fact, and not merely in theory, provide actual jobs, not merely hollow possibilities, to individuals across the full spectrum of SA diversity."

Thus, the department shall implement the following requirements:

- The removal of illegitimate distinctions in conditions of service and employment practices directly or indirectly based on race, gender, ethnicity, age, disability, belief, etc. and the introduction where necessary or desirable, of legitimate corrective action based on these or other criteria;
- Rectification of existing principles and criteria of employment so as to induce fundamental equality of opportunity for previously excluded groups and individuals;
- Rectification of existing numerical imbalances due to apartheid;
- The creation of a new organisational culture respectful of diversity and dedicated above all else to the values of the new democracy;
- The promotion of transparent and participative decision-making;
- Creating new educational, training and development opportunities and the redeployment of existing opportunities to promote career advancement and broaden fundamental equality of opportunity in the department;
- Rectifying the composition of the department so that it will be enabled effectively to serve previously neglected members of the public;
- Establishment of an employment equity committee charged with implementing this policy subject to clear performance targets and staffed by members of the department, Ministry and civil society so that it is rooted in the new political culture; and
- The facilitation of transparency and disciplined public and nongovernmental participation in the equitable resolution of disputes over this policy (which will no doubt arise).

The policy is to remain in force until such time as, in the Minister's judgment, corrective action is complete and fundamental equality of opportunity has been achieved, or until conflicting rules according to the Minister or the law, override the policy document.

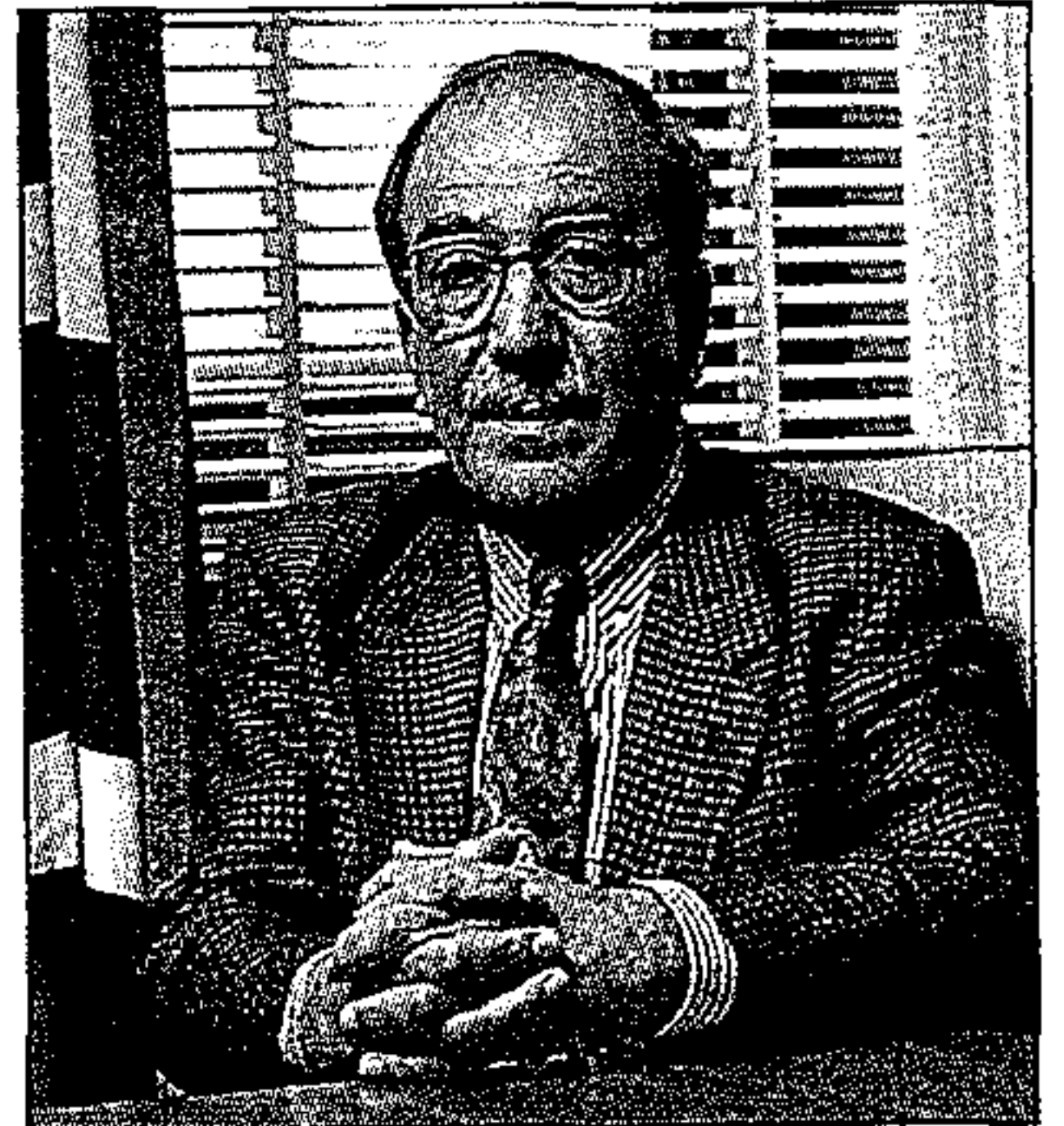
Moreover, every policy and programme shall where relevant specify:

- Clearly defined objectives "including numerical goals (not rigid quotas)" for employment, training and promotion of previously excluded groups;
- Timetables for achieving them;
- Effective systems to monitor success or failure; and
- Key role players within and outside the department and their proposed roles.

Deliberate or repeated failure to implement this policy shall give rise to a depart-

mental inquiry and, possibly, the "imposition of sanctions."

The costs of implementing the policy are, says Asmal, legitimate, necessary and required by the constitution, and the department will pay for it. The re-organisation of the department and inclusion of former homeland administrations provide opportunities to promote these objectives.



Asmal . . . trying to marry equality of opportunity with black upliftment

The policy goes further, saying that all third parties engaged by the department to supply any goods or service "shall have fair and equitable conditions of employment or contracting."

On the question of merit, Asmal says the concept shall be broader than simply formal qualifications and include "prior learning, life skills, experience, potential and ability to develop and acquire relevant qualifications."

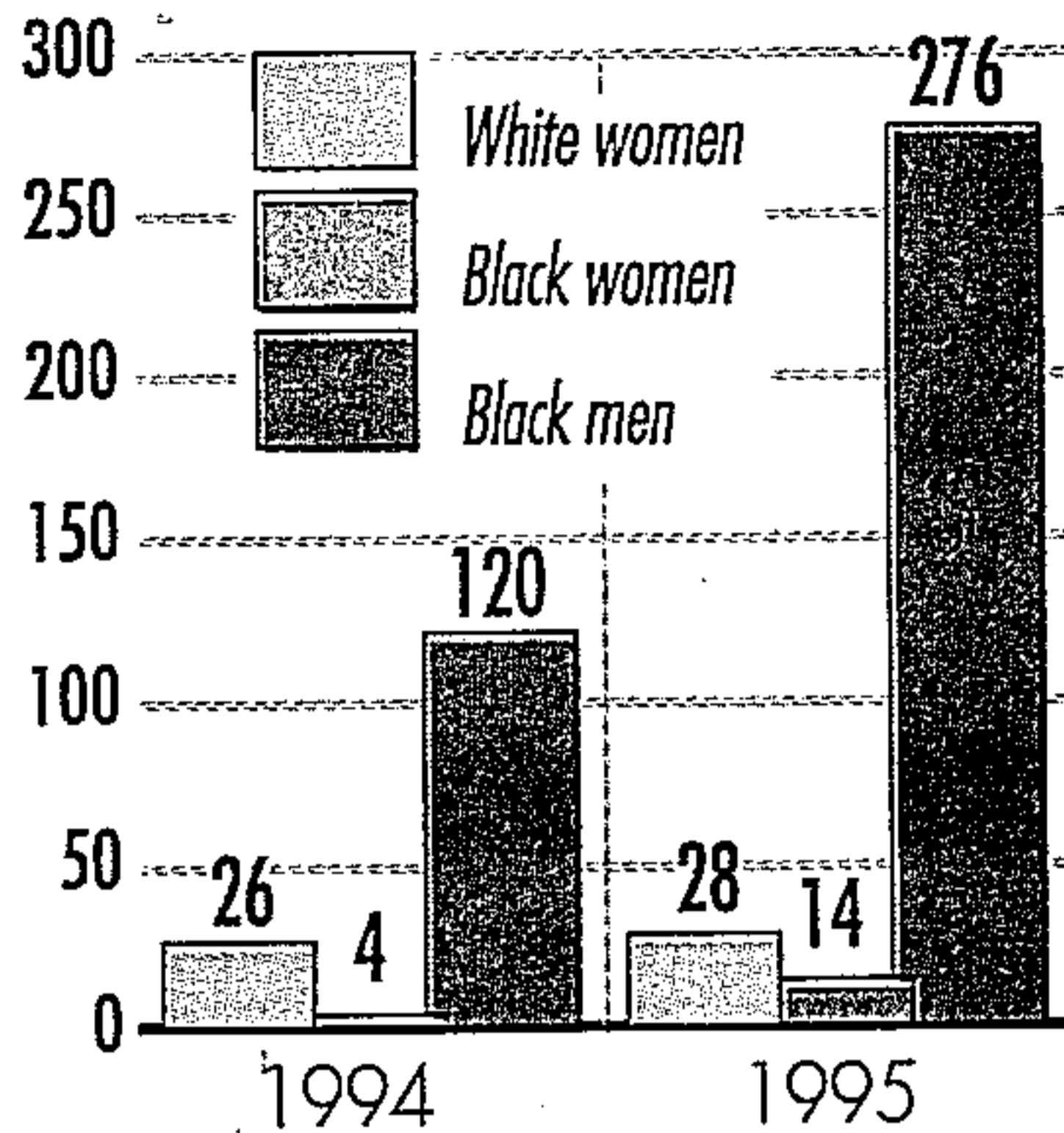


WENDY LUHABE holds four directorships



ELIZABETH BRADLEY is busiest white woman director

Top women and blacks



Most directorships

White women: **Elizabeth Bradley 6**

Black women: **Wendy Luhabe 4**

Black men: **Dr Nthato Motlana 8**

GRAPHIC: GAIL IRWIN

CT(BR) 7/3/95 (176)

Black directors double in year

BY CHARLOTTE MATHEWS

INVESTMENT EDITOR

In the corporate rush to adopt a politically correct post-apartheid face, corporations have more than doubled the number of black male company directors in the last year from 120 to 276.

According to the latest issue of McGregor's Who Owns Whom, the busiest directors are Dr Oscar Dhlomo and Dr Nthato Motlana,

each of whom holds eight directorships.

The number of black women directors has more than trebled — albeit off a low base — from four to 14. Wendy Luhabe is the busiest, with four directorships.

She was the first woman promotions manager for BMW and now runs an employment consultancy called Bridging the Gap.

The busiest white woman director is Elizabeth Bradley, the daugh-

ter of Toyota founder Albert Wessels.

However, the number of white women directors is unchanged at 28.

Among the busiest white male directors is Michael King, the low-profile Anglo American director who holds 29 seats.

He is followed by three more Anglo men — Leslie Boyd with 23 directorships, Clem Sunter with 22 and Graham Boustred with 20.

Black middle class shows its shiny, new face

(176)
AUG 4/2/95

HUGH POPE
Weekend Argus Correspondent

JOHANNESBURG. — Cruising former white suburbs in BMW cars or head-hunted from newly-won managerial desks, South Africa's black middle class is visibly making it big.

So fast are white-run companies scanning 'on the move' sections of the press to hire black people for their affirmative action programmes, that Vincent Musewe felt it was time to put critical whites straight about who was to blame for the situation.

"Job-hopping is natural. We will have a shortage of black professionals for a decade at least," he wrote to a Johannesburg newspaper.

"Black professionals, for once, can choose who they want to work for and at what price and for how long."

White business networks retain most economic control, of course, and black South Africans like Mr Musewe must fight against tokenism.

As they race ahead, the new middle class also has to keep a weather eye on their relatives who are still poor. Perhaps 20 percent of black South African society has not even a foot on the economic ladder nine months after the elections.

So far, black society has been patient, ready to take the slow, hard route out of the townships and squatter camps, accepting the culture of reconciliation fostered by President Nelson Mandela.

"My business is not black or white. We're just looking at credit products," said John More, a 41-year-old man who was one of South Africa's first black bank managers.

"My fellow guys from Soweto want money. But they don't have sufficient assets to back what they want to do. And I must see that my business grows."

Township society feels surprisingly little acrimony as the black middle classes have started to move out to white suburbs and send their children to fancy, former white schools.

"Jealousy is common, but they can't destroy you. Basically everybody was happy when I moved. They were proud of me," said Mr More.

Injustices linger, however.

The reason that the black

middle class is so small is that other races have had enormous head starts in the capitalist system through education, training and financial power.

The iniquity of all-white rule has been replaced by smaller tyrannies, like the credit agencies' black lists.

"If you didn't pay your rent during a rent boycott, you could be on the black list and denied credit by the computer," said Mr More.

"But if you had paid rent, you might have been killed."

Black South Africans make up 75 percent of the 40 million population, but Bob Cooper, an African-American consultant who has worked to 'empower' black South Africans, said that less than two percent of South African managers were black. It would take generations to achieve integration.

Such statistics are behind the ANC's left-wing outlook.

"The state has to take the lead," said Max Legodi, chief of the Soweto Chamber of Commerce.

"We are still patient, but the patience is not going to last forever. Those of us in leadership positions have to have government achievements to explain to the people."

The government prefers the carrot to the stick, like the white-led banks, for instance, which had to stage a public beauty parade of their affirmative action programmes as part of their tenders to win the government account of Gauteng.

Bheki Sigiya of the Black Management Forum, an elite black business group, said that instead of aiming to increase the 10 percent of black society that had made it into the middle classes, efforts should be concentrated on bringing the underclass aboard.

Those who have moved out of the townships do feel a stake in bringing the fringes of black society into full citizenship.

Mr More says he never forgets his origins.

"In my new suburb I can't go over and ask my neighbour for salt, I can't turn the music up high and sometimes when I sit with my beer in the garden, I feel sort of lonely.

"To have fun, I still go back to Soweto." — Independent News Service.

Affirmative action may be 'helped'

By ANTHONY JOHNSON
Political Correspondent

BUSINESSES that failed to apply fair affirmative action programmes could be "helped along" by legislation under an ANC government, ANC Western Cape leader Dr Allan Boesak said yesterday.

He also warned that the civil service at both central and regional government level "will have to be

made more representative".

Dr Boesak said affirmative action under an ANC government did not mean that "a blunt axe" would be wielded but he that "more room" would have to be created to give jobs to those historically disadvantaged at top and middle levels.

Speaking at the Central Methodist Church in Cape Town, he said the ANC would appeal to companies to

apply affirmative action programmes.

"But we are not excluding the necessity of legislation to help companies along to make the right decision," he said.

Dr Boesak stressed that affirmative action was not aimed at promoting people of colour over whites per se. "Corrective action — also through legislation — would apply to women,

Africans, coloureds, Indians, people from the rural areas, the disabled and gay people."

Turning to the civil service, he said it should be made more representative of South African society.

He said there would have to be a "hunt" for both talented people who had not been recognised in the past as well as people with the "potential of talent".

(176) CT 23/3/94

Top jobs 'need experience'

176

CT 23/3/94

Municipal Reporter

GEORGE. — Appointing people without enough experience to senior positions in local government would cause chaos, Dr Kolie van Wyk, chairman of the Institute of Town Clerks, said yesterday.

He was reacting to statements by Mr Thozamile Botha, the ANC head of local government, who told the Cape Province Municipal congress on Monday that it was a myth that

town clerks and city treasurers had to rise through the ranks.

Dr Van Wyk said one couldn't select a senior official from the streets.

Cape Town's town clerk Mr Keith Nicol said it was not possible for people without relevant experience to do the job adequately.

Putting people in jobs which they were not able to do would not help the cause of affirmative action in the long run, he said.

THE fashionable definition of black economic empowerment is the placing of black people in high-profile managerial positions. More recently, this has been expanded to include the acquisition by a few individuals of equity in companies previously owned exclusively by whites.

In the not too distant future, some will further extend this definition to include a black elite whose access to political office will, it is presumed, give them access to the state coffers.

If we accept this definition, we would play directly into the syndrome of "white faces, black masks" — where the economy continues to be owned and controlled by a small minority. A few blacks, and a few women, are co-opted into what was previously a white boys' club. The rules of the game, however, remain the same.

Cosatu wants to redefine the terms of the debate. Black economic empowerment needs to be seen not as a cosmetic attempt to dress up old structures of power and privilege by co-opting selected individuals. Rather, it should be viewed as a programme to empower genuinely millions of people previously disempowered.

This would involve at least four key objectives:

- Empowering the majority to participate meaningfully in the mainstream economy at all levels;
 - Unleashing the stifled human potential of the majority in a way which benefits them and their communities;
 - Creating the infrastructure currently denied to vast areas; and
 - Involving people in decision-making which affects their lives, primarily economic decision-making.
- To be effective, affirmative action measures would have to contain at least the following seven elements:
- A massive programme of education, training, retraining, adult basic education and recognition of prior learning, to overcome the legacy of apartheid;
 - Empowerment of individuals,

Quotas are not the route to black empowerment

Bidau 25/3/94

SAM SHLOWA

(176)

communities and groups, under conditions which promote their collective rights and their capacity to negotiate workplace issues;

- Establish principles for the hiring and promotion of workers which will prevent discrimination against people previously disadvantaged by apartheid;
- Accelerate, through collective bargaining programmes, the eradication of workplace discrimination;
- Provide job security for pregnant women and promote the provision of child care, to further women's equality in employment;
- Ensure that the development of special expertise among South Africans takes priority over the importation of outside personnel; and
- Establish legislation and a strong ombudsman to monitor and implement affirmative action measures.

The last point notwithstanding, we do not believe legislation or quotas should be the main mechanisms for achieving affirmative action. Social and workplace programmes negotiated directly with workers must be at the heart of any affirmative action drive.

At the workplace, this means negotiations need to take place between management and unions on a process of affirmative action. This

should result in the setting up of joint affirmative action committees, with equal representation. Resources would need to be made available for training, research and full disclosure of information.

The committee would need to identify areas needing attention. These could include recruitment procedures and procedures for promotion; working conditions; training, education and career paths; disciplinary procedures; retrenchment and retirement; and wage differentials and benefits.

Having identified the problem areas, the union and management should negotiate a plan to address them. The plan should include both "negative" and "positive" elements: removing all barriers to equality, and formulating measures to ensure the whole company employment structure becomes broadly representative of the composition of SA society. The plan should contain clear time frames and targets, as well as mechanisms to ensure joint monitoring and evaluation.

Affirmative action programmes should not be limited to the work-

place. National measures are necessary in relation to education and training, for example, which would have to be implemented both at industry level and by the state. The state will play a key role in implementing an affirmative action programme. Public sector employment practices should set an example for the private sector.

Further, government should use its influence over the private sector to promote affirmative action. This could include procurement policies which specify that any publicly funded programme, or commissioning of goods and services by the state, will be conditional on the relevant company having made satisfactory progress in implementing an affirmative action programme; and any state funding or subsidies to private institutions should similarly be contingent on progress in this area.

Further, particular priority could be given in allocating state funding to programmes which play an important role in advancing the process of affirmative action, for example adult basic education. The state would need to ensure a massive expansion of the country's labour market statistical base. This is necessary to monitor the degree of progress being made in different areas in im-

plementing the programme. Affirmative action is not designed to punish any particular group. White workers are already becoming victims of the economic devastation caused by apartheid. The unleashing of the country's productive potential, and the resultant economic growth and job creation which will flow from bringing previously disadvantaged workers into the mainstream of the economy, will ultimately benefit all workers, including white workers. We reject any attempt to abuse affirmative action to create racial divisions between workers. Mere replacement of white individuals with blacks is tokenism.

On workplace democratisation, employers have to come to terms with the fact that to get out of this trap we have to end the culture of unilateral management decision-making. Meaningful empowerment of workers goes way beyond the so-called "worker participation" schemes which are springing up. Most do not empower workers to make decisions on fundamental issues affecting their lives.

There is a need for a radical rethink on the process of industrial democratisation. Management will have to accept that decisions on areas such as investment, technology, research and development, training, job creation, levels of remuneration and even distribution of profits can no longer be their sole preserve. Joint decision-making in these areas will have to become a fact of economic life.

Black economic empowerment goes way beyond the creation of a black elite, or the enrichment of a few individuals. If implemented properly, it will bring about a revolution in the lives of millions of ordinary South Africans.

If we realise this vision, we can bring about an economic miracle parallel to what has happened in other parts of the world. We invite business to walk this road with us.

This is an edited extract from an address by Cosatu general secretary Shlowa to a conference in Sandton this week.

Top companies to recruit SA blacks in UK

ARG 25/3/94

(176)

□ 200 graduates seeking top positions

The Argus Foreign Service

LONDON. — Several top South African companies will attend a three-day conference in Oxford next week aimed at recruiting black South African graduates who have been studying abroad.

More than 200 graduates are looking for senior management positions in the public and private sector after completing advanced studies in the United Kingdom.

The organisers say the "Windows on Work" conference will provide the catalyst for ensuring the return of well qualified talent to help with the reconstruction of a newly democratic South Africa.

The director of the Southern African Advanced Education Project, Sarah Hayward, said yesterday: "Blacks are poorly represented at senior and middle management levels, both in the private and public sector.

"The balance must be redressed, and we hope that Windows for Work can help link employers with those

who have the potential for leadership at senior level."

Jean-Claude Goffinet, chief executive of Total South Africa, welcoming the opportunity for prospective employers and employees to meet.

"The business community in South Africa is faced with an urgent and difficult task — to accelerate the development of black managers in a country which is about to experience rapid political change."

Among those who will be represented in Oxford next week are Total, SA Breweries, the Post Office, Unilever, Standard Bank, Eskom and the Transitional Executive Council.

"Windows on Work" is an initiative established by the South African Education Project, an independent charity providing advanced training and work experience to South Africans to help build leadership and management skills.

The conference has been arranged in partnership with the Association of South African Students.

New council affirmative action plan

(176) ~~353~~ CT 29/3/74
By PETER DENNEHY
Municipal Reporter

EMPLOYEES of the Cape Town City Council are going to have to brace themselves for at least a five-year period of "affirmative action" if the council endorses a draft agreement with its three unions today.

An affirmative action officer will be appointed, to be based in the human resources department, but reporting to the town clerk and to an "affirmative action board", made up of two nine-a-side teams.

One team will be made up of union or staff association members and the other of departmental representatives or executive committee members. Where they fail to reach consensus, decisions will be made by a two-thirds majority.

Disadvantaged persons are defined as those who have been subjected to past discrimination on the basis of race, gender or disability.

The disability may even be psychological or mental as long as a doctor thinks it is treatable and subject to stabilisation.

Those who are white can take comfort from one of the clauses of the comprehensive agreement: "No employee shall have their (sic) services unilaterally terminated by council, solely as a result of affirmative action".

The agreement also says that affirmative action shall refer to a strategy and process "to be used for a limited period of time" to attain equal opportunity objectives.

Affirmative action quotas 'could have beneficial effect'

LINDA ENSOR

LONDON — Too many companies in SA had been slow in waking up to the need for affirmative action, Total CE Jean-Claude Goffinet said yesterday at a conference in Oxford, Britain.

Goffinet said there was resistance both inside and outside companies to the idea of employing blacks in senior positions. *Bikay 30/3/94*

The imposition of quotas could have a beneficial effect.

The Oxford conference provided a venue for 200 black university graduates in the UK to meet prospective SA employers. *(176)*

Goffinet believed that chief executives had to become personally involved in affirmative action programmes. The only negative side of a quota system, he said, was that it could encourage tokenism.

He also feared that targets suggested by the Black Management Forum (BMF) on the number of blacks to be employed in senior posts by 2000 might be difficult to meet because of the scarcity of skilled and experienced people. In the oil industry, for example, it took 10 years for a person to reach middle management.

However, BMF director Lot Ndlovu said a change in corporate attitudes was required as hostility towards blacks often prevented them from gaining experience or being fully utilised when they did have the necessary experience and skills.

The BMF did not think that quotas should be externally imposed but should be decided upon in negotiations with companies, trade unions and other bodies.

A way had to be found, he added, to prevent companies setting themselves "easy to reach" targets.

The BMF believed that legislation should be passed requiring companies to establish affirmative action programmes because the track record of voluntary policies showed they had not worked. The organisation was also opposed to importing skilled people from outside SA.

Ndlovu said companies which recruited people from abroad should be obliged to pay a duty to a fund devoted to the development of local talent.

Black university graduates interviewed at the conference expressed fears about returning to the "old SA" of racial discrimination in the workplace.

They were also apprehensive about being disorientated on their return home.

A MSc electrical engineering student from Southampton University, Benedict Mpotulo, said: "It will take a long time for real change to take place. I fear that I will be returning to the old SA."

Another student fearing disorientation said: "There is no sense of contact between what we have here and life in the townships. Life here is totally different."

Association of SA Students chairman Brian Nakedi said the students would have to deal with the fact that the white minority monopolised institutional power.

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Most blacks happy in workplace

■ BY THABO LESHILO

Most blacks are happy to work for their companies and display a strong sense of loyalty, says the National Productivity Institute. (176)

The survey of attitudes to affirmative action shows that it has been successful in achieving a sense of belonging in the workplace among black employees and trainees in middle management.

Industrial psychologist Johan Venter says 83 percent of blacks in such positions take pride in their firms.

Another 87 percent actively recruit friends to join and 75 percent are not planning to leave their jobs for greener pastures.

The poll was conducted at SAB beer division, Emsa, Pick 'n Pay, Carlton Paper, Sales House and two other companies between last July and November.

These companies have had affirmative action programmes in place for nine years on average, compared with the national average of three years.

Venter says 82 percent of those polled are willing to make an effort without receiving any direct benefit in return.

Another 79 percent are satisfied with their own performances, while 75 percent are happy with the performances of their peers.

But a third feel affirmative action programmes at their companies cry out for improvement.

Owing mostly to racial tension, 29 percent feel that negative attitudes and behaviour of staff members, especially white, are hampering their efforts to develop.

Training enjoys the most support as an effective development strategy (42 percent), support from seniors (21 percent) and supervisory training (21 percent).

NPI chief executive Dr Jan Visser says SA still lags far behind in its commitment to human resources development.

Affirmative action

a tragedy say Feds

S1 Times [Cimetro]

THE Cape Town city council's affirmative action policy was a "racist" tragedy for the city and its residents, according to the Federal Party.

The affirmative action plan could not be achieved without a return to the Race Classification Act, it said this week.

The first municipality to initiate an affirmative action policy, the city council on Thursday endorsed a draft agreement with the SA Municipal Workers Union, SA Association of Municipal Employees and the Cape Town Municipal Professional Staff Association.

In terms of the agree-

ment an affirmative action officer will be appointed and will report to the town clerk and an affirmative action board, made up of two nine-member teams.

One team will comprise union or staff association members and the other will be made up of departmental representatives or executive committee members.

The agreement defines a

disadvantaged person as one discriminated against in the past on the basis of race, gender or disability. It says affirmative action is a strategy and process "to be used for a limited period of time" to attain equal opportunity objectives. (176)

The Federal Party described the plan as a "blatant and misguided" return to a policy

of discrimination in a country that had had too much discrimination in the past.

"If discrimination was wrong then, isn't it still wrong today?"

314194

While the Federal Party firmly believed in equal opportunity and agreed it was time to redress past evils, "how do you determine exactly when the objectives for these disadvantaged people

have been met?"

This could only be done by counting numbers, it said.

The council would have to count the number of coloured, black and white people and hire new people on the basis of their race, gender or disability.

The Federal Party asked how the council would determine an employee's race, saying this could be done only by bringing back the evil days of the Race Classification Act.

The Federal Party and all fair-minded citizens would fight this to the bitter end, it said. — Sapa

(Report by WC Blumenfeld, Nedbank Centre, Strand Street, Cape Town).

Speedier affirmative action urged

Star 19/4/94

■ BY STEPHEN CRANSTON

Four out of five human resources managers believe the pace of black advancement and affirmative action in their companies is too slow, a research project done for the Unisa business school shows.

The managers say that affirmative action is one of the four major challenges facing commerce and industry over the next five years.

Other challenges are improving productivity, training and development for both workers and managers and dealing with union demands.

In the short term, researchers Karl Hofmeyer and

Johan Rall found efficiency was given top priority. But in the future, human resource development, along with change facilitation, will be given a higher priority.

In order to encourage affirmative action, the Institute of Personnel Management (IPM) has issued a position statement.

It describes affirmative action as a business strategy and process aimed at transforming socio-economic environments which have excluded individuals from disadvantaged groups in order for such disadvantaged individuals to gain access to opportunities based on their potential.

It says that affirmative action should concentrate on blacks, defined as Africans, coloureds and Asians, but not exclude groups such as women and the disabled.

Education, skills development, equity participation, housing, electrification and health should be dealt with within a broader framework.

If the position paper is followed, it will lead to an explosion of personnel jobs as a bureaucracy would be required for the mass of forms needed to measure, evaluate, involve, communicate and not just plan, but replan the process.

The IPM calls for legislation, on the one hand encouraging

affirmative action through tax concessions, and on the other by punishing firms by barring offenders from government tenders.

And even more jobs will be created for personnel practitioners, at the taxpayer's expense, by an all-powerful affirmative action commission.

Initially the IPM would like to see targets, but if these fail it would like to see the imposition of mandatory quotas.

Yet it contradicts itself by claiming to support the promotion of people based on merit. To square the circle, it sees part of merit as the ability to integrate Afrocentric management approaches.

IPM advocates legislation to back affirmative action

Biday 2014/94

ERICA JANKOWITZ

THE Institute of Personnel Management advocated affirmative action legislation, controlled by a commission charged with overseeing the effective implementation of programmes, the institute said in a statement. (76)

It called for enabling legislation, possibly in the form of tax concessions, to encourage companies to pursue effective programmes aimed at redressing imbalances in employment practices.

"On the other hand, legislation should provide punitive measures, possibly in the form of a 'black book' and exclusion from government tenders."

It suggested legislation should be negotiated between business, trade unions and government.

Companies should set targets through a process of negotiation with the affirmative action commission, giving timeframes according to which progress could be checked and to give an indication of when programmes could be abandoned to

"allow equal opportunities to take over".

The institute rejected a quota system as inflexible, and said it would "encourage tokenism and insufficient allocation of resources to real people development".

The institute felt companies should adopt a less Eurocentric attitude to management and recruitment and rejected some companies' policy of employing only specific race groups in a bid to change their employee profiles.

It also said companies should concentrate on training and developing from within rather than poach qualified black managers from other companies and organisations.

"Sustaining an elite band of people who 'job hop' will not increase the supply of skills," the institute said.

"It will, in fact, defeat long-term affirmative action progress."

'Need for affirmative action' in pharmacy

AFFIRMATIVE action was necessary in the pharmacy industry as the lack of pharmacies in SA's rural areas and townships stemmed from a lack of black pharmacists, Medunsa pharmaceutical lecturer Dr Beverly Summers said yesterday.

Research completed by Summers in 1993 and recently published in the SA Pharmaceutical Journal showed that 90% of all pharmacists in SA were white. (176)

She said the small number of black pharmacists was related to the lack of role models for students and the fact that few matriculants considered pharmacy as a career.

The problem was not in the industry itself as there was great demand for "a qualified personable black pharmacist".

The industry should start a public relations campaign aimed at encouraging matriculants to become

BEATRIX PAYNE

pharmacists. Better training was needed at high school level as maths and science qualifications "were poor".

She also suggested that pharmacy graduates should complete a period of "national service" by working in rural areas when they were qualified.

Research had shown that the biggest proportion of pharmacists were based in the PWV and served only 25% of SA's population.

This "gross maldistribution" of pharmacists by race and geographical region had exacerbated distortions in the provision of health care. "There are very few community pharmacies in black areas because there are few black pharmacists," she said.

Rather than using financial incentives to encourage pharmacists to work in rural areas, it would be better to train people who lived in those areas.

Employment agreement

EDWARD WEST

CAPE TOWN — The city council and three unions representing council workers signed an affirmative action agreement yesterday, the first time a city in SA has entered such a pact.

Management committee chairman Clive Keegan said the agreement had taken a year to negotiate with the unions. (76)

"We realised it was unacceptable for the council to present a universally white bureaucratic face," he said.

The agreement was not based on a quota system but on training and merit-based appointments to specific targets. It was also only valid for five years and could thus be changed.

The agreement was signed between the council, the SA Municipal Workers' Union, the predominantly white SA Association of Municipal Employees and the Professional Staff Association. Keegan said Cape Town was the only city to conclude such a deal.

Affirmative action ⁽¹⁷⁶⁾ _{27/22/94} 'needs laws'

Staff Reporter

IT may be necessary to introduce legislation to ensure affirmative action takes place if voluntary efforts to do so were not taken or were too slow, Professor Kader Asmal of the University of the Western Cape said yesterday.

Speaking at an Affirmative Action Symposium in Stellenbosch, Prof Asmal said unless special intervention was made, the patterns of privilege and powerlessness created by apartheid would continue.

"Freedom is not enough. You cannot take a person who for years has been hobbled by chains, and liberate her to the starting line of a race and then say 'You are free to compete with all the others' and still justly believe that you have been completely fair," Prof Asmal said.

He said affirmative action would not remove past deprivations.

Black managers 'not in soft jobs'

B/D EDWARD WEST

CAPE TOWN — About 55% of all black, coloured and Asian managers in the formal sector held management, finance and engineering functions, questioning an assumption that these groups held "soft jobs", a new survey found. *25/4/94*

The findings were contained in the Breakwater Monitor human resources survey conducted by the University of Cape Town's Graduate School of Business. *(176)*

The survey, conducted between April and September 1993, represented a sample of about 1-million employees in the formal sector, about one fifth of total formal employment.

Survey compiler Angus Bowmaker-Falconer said there was a long way to go before women, blacks and other population groups held a significant share of SA's management market in the formal sector.

About 93,3% of all managers were white males and only 6,8% were women, with black women comprising only 3% of that percentage.

Of total management, about 2% were blacks, coloured, and Asian, while 78,6% of whites held middle management positions. About 9%, 6,93% and 5,15% of blacks, coloured and Asian managers respectively held middle management positions.

As a percentage of total promotion, 54,1% of blacks were promoted compared with 26,7% of whites, 8,86% of coloureds and 3,6% of Asians.

As a proportion of staff complement promoted, 4,8% were white, 4,16% were black, 6,56% coloured and 5,98% Asian.

Affirmative action is policy aboard SA's flagship

ANY air hostess would have had trouble dealing with these two young men: they had been drinking, they were angry at a delay in take-off, they wanted to smoke (on a no-smoking flight) and drink (before the aircraft left the tarmac, against airline policy). (176) 270

But for a young black stewardess wearing the uniform of SA Airways, it was doubly difficult to tell these two slightly drunk Afrikaner bucks that they could not have what they wanted. She did it with tact and charm, giving them crisps to appease their nicotine craving and a pretty smile to ease the pain.

In the end, they were won over — and SAA's policy of affirmative action had two new converts.

There are few more obvious signs of the impending change of government in SA than in the cabins of SAA, the state airline. Suddenly, there are large numbers of black faces where Afrikaans maidens previously held sway; and the new integrated cabin crews demonstrate an obvious rapport, and an oblivion to racial distinction, which is a model for the nation. Many have joined the same trade union, a traditionally black body, the SA Railways and Harbours Workers' Union (Sarhwu).

Only 10 years ago, when SAA hired its first black (in a more than menial position), the airline had to get parliamentary approval for the move. Today, says Martin Sebesho, SAA's executive manager (human resources), to employ a white in any position requires board approval.

Sebesho notes that this policy is far from the norm for SA business; few other companies — except those with government shareholders — are making such drastic efforts to restructure racially. Only 3% of SA managers are black, and that figure has not changed much despite the new awareness of affirmative action.

But SAA, with its high public profile and government shareholder, is a slightly different case. "We suspect we are going to have a new government and that government will be our shareholder and being predominantly black it will demand a lot of compliance with affirmative action," says Sebesho.

"By the turn of the century, the racial composition of SAA must reflect the racial composition of the country," he says, noting that integrating the cockpit is the biggest challenge.

SAA recently hired its first five black pilots, but the other 600 are white. The company plans to spend R3m a year to train 10 new black pilots a year. Integrating cabin staff is easier, because of the lower level of technical skills involved: about 230 of 1 400 cabin staff are black.

But, complains Sebesho, apartheid's legacy of poor education and skills training makes hiring blacks difficult. SAA could find only 40 blacks in the entire country to interview as prospective pilots, let alone hire.

Even so, Sarhwu, the union which represents most black SAA employees, is unhappy about the company's efforts — and not for the obvious reasons. True, Sarhwu complains that SAA hires whites on contract for vacancies which cannot be filled by competent blacks. But that is not the main complaint. "Management says affirmative action means you must not hire whites. That is not my understanding: affirmative action means every worker must progress, black and white," says Nelson Ndisa, Sarhwu president.

"If affirmative action is seen as taking white jobs it can be detrimental, it can cause strikes."

Union official Ewan Abrahamse chips in: "In the end, we'll bear the brunt of the racial tension in the workplace. If we cannot have a better understanding between whites and blacks, the country will be ruined." According to Sarhwu's logic, those most committed to rapid affirmative action are the least likely to integrate successfully. "The people who are leading in affirmative action were also at the forefront of apartheid," says Abrahamse.

He might have been quoting from a recent ANC policy paper: "If well handled, affirmative action will help bind the nation together and produce benefits for everyone. If badly managed, it will simply redistribute resentment, damage the economy and destroy social peace."

At least unions and management agree on one subject: the need to protect the company from nepotistic employment practices forced on it by a new government. "We want to have a clear plan to help us avoid being a political pawn. Then the chance of being forced to compromise on competency will be minimised," says Sebesho. Sarhwu officials agree. — Financial Times.

The dangers of *Star* 27/4/94 the quota game

Armand Kruger counts himself among the pioneers of black advancement in the business world.

Since graduation from the University of Pretoria in the 1970s, he has devoted his career to the development of training programmes to increase the flow of black talent into key, skilled posts on all rungs.

Lately Kruger has become increasingly bothered by new snags that black-white equality initiatives are running into.

As head of the NLP Resources Centre in Randburg, he saw the first snags emerge in the 1980s.

"It was fashionable and rather trendy to have a few black faces around the executive suite."

Enthusiasm turned to bitter resentment, however, when hundreds of black promotions were exposed as merely window-dressing — the creation of rows of nodding heads around the boardroom table with little else to do but smile at visitors.

"(Today) it has become fashionable to unfurl the banners of affirmative action on many corporate flagpoles," Kruger says.

"The biggest danger of all is playing what a lot of insiders are

A NEW generation of black executives needs to be created — and not simply by meeting percentages, Michael Chester was told

(176)

calling the percentage game — a cynical competition between companies to win political accolades by the speed and extent of black promotions.

"Many employers are using affirmative action programmes because they believe it's an easy way to keep a new black government off their backs.

"They seem to think that all they need is an acceptable percentage of black faces in the company — and business will continue as normal.

"Not so. Affirmative action should be about supplying people with the skills that make them proud about their role in their companies. They won't feel that way if they suspect they are regarded as merely a percentage point."

Kruger was totally unimpressed when he learnt that one major company had laid down an official policy that by the end of the year at least 60 percent of its total payroll would be black employees.

"That kind of arbitrary decision could be a recipe for disaster. Affirmative action is not about being black. It's about the right mindset to accept challenge, whatever the colour or sex or religion of the contender.

"A new title, wall-to-wall-carpeted office, company car, expense accounts and lunch in the executive dining room sounds fabulous. But the gloss will rub off and be replaced by resentment and disillusionment if the new executive has not been properly equipped for the job.

"At the top of the boardroom agenda should be how best to groom a new generation of foremen, supervisors, managers and directors — not percentage points intended to impress the politicians.

"The alternative," says Kruger, "could be labour unrest and even financial ruin for companies that do not face the challenge with honesty."

Affirmative action *Bl Day 4/5/94* conflict predicted

ERICA JANKOWITZ

MOST companies questioned in a recent survey were not prepared to negotiate an affirmative action policy with representative trade unions, and this was likely to be a source of serious conflict, industrial relations consultant Larry Palk said.

Palk's survey of 128 companies throughout SA found that 81% of respondents were not prepared to negotiate affirmative action issues. Of these 45% would consult a union and 36% would inform the union of their policies, but not discuss the content.

"Union involvement is likely to be a source of conflict since unions have clearly stated that they believe affirmative action issues need to be negotiated."

Palk's survey found that 95% of top management positions were held by whites, who also occupied 86% of middle-management positions and 63% of skilled worker positions.

He warned that it would take many years to change the composition of a company's workforce to reflect the labour market's racial breakdown, especially at a time when formal sector labour turnover stood at between 5% and 10%.

"If this rate of turnover persists, there will not be much room to make substantial progress with affirmative action without

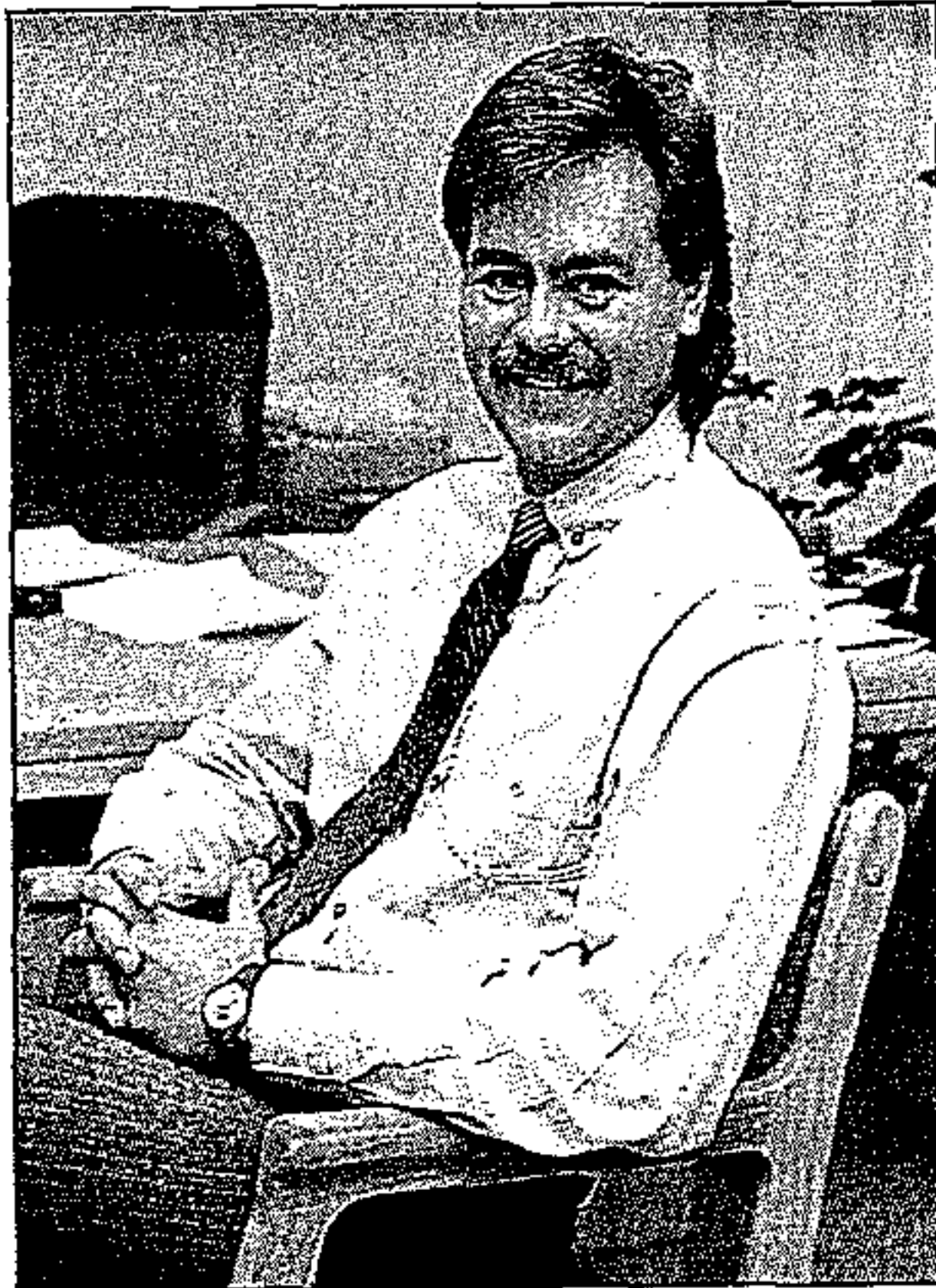
major economic growth.

"This could lead to unfulfilled expectations which have been heightened in regard to affirmative action." (176)

Palk found that most progress in implementing affirmative action policies had been made in service industries where front-office staff interacted with the public. In industries which were task- rather than service-oriented, much less had been done, with the exception of the oil, chemical, pharmaceutical and food and beverage industries.

Males dominated top and middle-management posts, but females had made inroads into skilled worker categories. This was the case in the financial, insurance and banking industry where women accounted for 62% of skilled workers. Male dominance was most pronounced in mining, with men occupying 90% or more of the positions in all three categories.

"A minority of companies has shown commitment to affirmative action by drawing up a written policy; an even smaller minority has communicated this to employees. These findings are rather disturbing since there is a high expectation of affirmative action taking place."



Ackerman . . . interfacing between black entrepreneurs and large companies

Fm 13/5/94

The last is aimed primarily at large companies which have difficulty in understanding how design processes work in community-related projects. It enables them, through market research, to ascertain the desires and aspirations of communities. (176)

Thebe Properties has spent most of its first year identifying expertise available in the black community in these spheres — architects, contractors, brokers and so forth — and helping them turn their businesses into operations that can compete in major metropolises.

"To date we have entered agreements with JHI and RMS Syfrets, which are training black staff members in retail, office and industrial broking. With Group Five we formed a consortium to build the Nigerian Embassy in Rosebank, which is now completed. Thebe Properties was the developer and Group Five the contract manager," says Ackerman.

Thebe is involved in a further seven joint ventures in SA and Botswana with established organisations in the housing, retail, office and leisure fields. Says Ackerman: "We would encourage large companies wishing to interface with black entrepreneurs and vice-versa to approach us."

JHI, which has operated an affirmative action programme for years, says it entered a joint venture with Thebe last year to develop the Cape Town Station precinct. It is one of several direct joint ventures in retail development that JHI has had with black entrepreneurs.

Group chairman Les Weil says JHI follows a policy of encouraging the development of black entrepreneurs through its cli-

AFFIRMATIVE ACTION
Fm 13/5/94
In bricks and mortar

Affirmative action and black entrepreneurial involvement is as much a concern in the property industry as it is elsewhere. Seeff Holdings chairman Lawrence Seeff says his company is "negotiating with a number of black entrepreneurs to provide seed capital and expertise for joint ventures in the property and financial services fields."

His company is only one of several engaged in joint ventures with black entrepreneurs. Both the JH Isaacs Property Group (JHI) and Group Five have, and have had, similar involvements. (176)

All three are linked with a low-profile, year-old black empowerment company called Thebe Properties, a wholly owned subsidiary of Thebe Investment Corporation. Based in Johannesburg's CBD, its nonexecutive chairman is Intersite MD Dirk Ackerman.

He says Thebe Properties' role is to act as a facilitator for property developers from the historically disadvantaged sectors of the community and to provide an interface between them and established industry in the spheres of property broking, management, development, market research and social-compact generation.

PROPERTY

Fm 13/5/94

ent-assistance programme. Maintenance and renovation work in JHI-managed buildings are offered to developing black businesses and a number of blacks are undergoing caretaker training.

As for staffing, Weil says: "Any responsible SA organisation has an affirmative action programme." (176)

The company has both black and women executives at director and senior portfolio-management level. In some divisions, targets of 60% black staffing have already been achieved. In Natal, JHI has a successful team of 12 black brokers operating in medium-cost housing.

JHI leasing manager Wayne Wright adds that JHI and Thebe are identifying suitable Johannesburg CBD locations for local and overseas concerns. He says a number of foreign trade missions and embassies prefer to work through Thebe.

These are not the only property companies or organisations engaged in affirmative action. The latter, after all, is hardly a new requirement. With the new order suddenly upon us, however, meeting it has acquired greater urgency. ■

Blacks 'must take initiative'

THE advent of a new SA marked an era in which African people should take responsibility for economic progress, Black Management Forum president Wiseman Nkuhlu said this week.

Nkuhlu, who is also chairman of the Development Bank of Southern Africa and CE of the Independent Development Trust, was speaking at a function at which the BMF pledged support for the new government's reconstruction and development programme.

The forum also committed itself to the implementation of the affirmative action blueprint which it unveiled earlier this year.

Nkuhlu described the RDP as a "peoplecentred development strategy" concerned with satisfying the basic needs of ordinary South Africans in areas such as health, housing, jobs and food.

"The RDP seeks to upgrade people's

BIDAY
THEO RAWANA

skills to enable them to develop and be productive. This includes people who are in employment and those who are unemployed.

"Almost 43% of blacks who are employed have a Std 4 education. Training should be geared toward this sector," Nkuhlu said.

There was an extreme under-representation of black managers in companies, he added.

"By highlighting the need for black managers to develop, we don't necessarily mean that people in other fields should not be developed. As an organisation we are primarily concerned about management development."

Nkuhlu said there was a danger of companies bringing in expert expatriates to run programmes in the country and not providing opportunities for locals instead.

"This is not good for sustaining

1315194
growth because as soon as they leave, everything collapses. Companies should invest in the people of this country for sustainable growth."

Executive director Lot Ndlovu said it was important to change the nature of business to be "congruent with the changes in the country".

"Such change should include business beginning to treat with respect and dignity those who have been disadvantaged in the past. (176)

"Fortunately those bosses who used to call black employees 'boys' and 'girls' appear to have disappeared. However, there are those who still persist in this attitude."

Ndlovu said it was important to let the workers participate meaningfully in the development of their skills.

"Companies should allow black people to be stakeholders in their businesses and assist blacks to acquire equity and own their own businesses."

SITimes (Buss)

Black execs get 50% more pay than whites

1515194

COMPANIES are prepared to pay black senior managers up to 50% more than their white counterparts to placate affirmative-action activists.

But many are cashing in on the shortage of top-quality blacks and hopping from job to job — and better pay with each move.

The trend worries the SA Chamber of Business, the Black Management Forum, the ANC, labour and human resource consultants.

A survey by FSA-Contact says black managers are virtually able to stipulate their salaries.

The limited numbers of qualified blacks "are job-hopping to their hearts' content as they are offered better and better packages".

By DON ROBERTSON

David Lowry, of international executive search consultancy TASA, says: "We have to hope that blacks come to realise that to build a career they have to stay in one place for a while."

The FSA-Contact report follows a similar survey in 1993. It finds a 25% increase in implementation of affirmative action, 73% of respondents having a plan for "black empowerment". But more than 52% have done so under the threat of legislation or imposed quotas.

About 12% of companies report a drop in standards. But this is 12 percentage points below those who reported a decline in 1993.

More than 95% of the respondents say affirmative action programmes have been "reasonably successful". Only 4% say they were "totally" unsuccessful.

Almost half of the respondents are recruiting staff to change the structure of their workforce. About a third are doing so by promoting black employees.

In the next three years, companies expect a 10% increase in the number black senior managers, although this is considered ambitious because in the past five years the plan was for no more than 2%.

The number of white senior managers is expected to fall to 76.5% ~~(76.5%)~~

More than 50% of white employees resist affirmative action ~~(50%)~~ (176)

ANC may legislate workplace changes

ERICA JANKOWITZ

THE ANC would implement legislation to enforce co-operation on affirmative action if employers failed to tackle the issue effectively within the next 18 months, ANC economic adviser Don Mkhwanazi said yesterday.

He was speaking in his personal capacity at the first post-election conference on affirmative action, held in Sandton.

Employers who believed that an ANC-led government would welcome affirmative action programmes that placed a few token blacks into management positions should rethink their strategies, he said.

Although the ANC was opposed to interfering in business for the sake of interfering, affirmative action was an issue that had been supported by all factions of the liberation movement. *Biday*

If corporate SA was unwilling to redress past imbalances voluntarily and effectively, targets would be set by the new government, he predicted. *17/5/94*

Employers would be given 18 months to implement meaningful changes before legislation was considered.

Companies would have to look far beyond traditional affirmative action concepts and introduce strategies such as fully negotiated participative management and comprehensive skills development at all levels. *(176)*

Mkhwanazi said worker empowerment through affirmative action programmes was a key element in the ANC's Reconstruction and Development Programme.

"Legislation must facilitate worker participation and decision-making in the world of work," he said.

Proposed legislation would include an obligation on employers to negotiate substantial changes in production or workplace organisation within a nationally negotiated framework.

It would also include facilities for organising and communicating with workers on such matters and the right of shop stewards to attend union meetings and training without loss of pay.

He described affirmative action as "change management" and urged employers not just to look at issues such as strategies and methods, but also to concentrate on skills, staffing requirements and management style.

This would link companies' programmes to the kind of affirmative action envisaged



● MKHWANAZI

by the ANC, which saw it as an essential element of transformation, democratisation, reconstruction and development, he said.

Political freedom was not possible without economic freedom.

"Through affirmative action we must unleash the full potential of our economy and our people."

He said other options were being discussed to give previously disadvantaged communities access to capital formation and loan facilities.

In the past, such facilities had been blocked by a lack of collateral.

One option would be to set up a national enabling fund to guarantee loans to black entrepreneurs establishing small- and medium-sized businesses.

Loans to these businesses would be assessed on their potential to contribute to the economy, to create jobs and other national economic priorities.

He suggested financial institutions set aside a portion of their loan portfolios for black development and empowerment.

"Some advocate that in future financial institutions should be required by law to install and execute community reinvestment programmes," he said.

"This might involve banks ensuring that a certain percentage of their loan portfolios are representative of their deposit portfolios."

Affirmative action 'certain'

AN ANC government, with its large majority, would succeed in enforcing affirmative action policies where US states had failed because of the blacks' minority status in that country, Black Management Forum affirmative action commission member Lovemore Mbigi said yesterday. *Boy*

Mbigi told a Sandton seminar that the success of affirmative action policies would be of symbolic significance to the ANC because its initial stand on the issue had been diluted by months of negotiating.

The forum had set targets for black participation in management by 2000. In terms of these targets 20% of all executive directors and 30% each of non-executive directors and senior management posts should be filled by blacks by this date. In addition, 80% of trainee managers should be black by 2000, Mbigi said.

He urged management to use more initiative in its recruitment policies: not to employ blacks "who speak English well and can play golf" but to look among the ranks of "communists . . . stone throwers".

ERICA JANKOWITZ

Such people would ensure the organisation changed radically from the Eurocentric structure currently favoured to a more Afrocentric management style.

He challenged management to set targets for placing blacks in management positions when annual budgets were discussed because this was management's normal approach to implementing new policies. *(176)*

However, he felt personnel in charge of affirmative action should report straight to the CE as most human resources practitioners felt threatened by black empowerment and did their best to sabotage programmes. *17/5/94*

Another threat to affirmative action was the apathy of the black middle class which tended to become "political hangers-on" rather than the driving force behind black economic empowerment, Mbigi said.

'CEs should promote affirmative action'

HUMAN resource practitioners were, in the main, committed to affirmative action programmes and generally had their performance measured against successful implementation of such programmes, the Institute of Personnel Management said yesterday. *24/5/94*

The institute dismissed Black Management Forum representative Lovemore Mbigi's suggestion that CEOs should run affirmative action programmes as human resources personnel tended to feel threatened

ERICA JANKOWITZ

by the programmes and sabotaged their implementation. *3/2/94*

Institute executive director Danielle Smith agreed CEOs should "drive, lead, promote and be held accountable for the successful implementation of affirmative action", but said it made no sense to exclude human resource managers from the process. *7/6*

"They have a critical role to play in facilitating change by creating the systems and support mecha-

nisms which will make this change not only inevitable but a necessary element of reconstruction and growth."

Smith said the institution had recently released an affirmative action policy document advocating negotiated targets, establishment of an affirmative action commission and enabling legislation.

"The document outlines the roles of human resource managers and other stakeholders to clarify the action required to make affirmative action work."

Companies 'recruit rather than train'

By Day 25/5/94

ERICA JANKOWITZ

ALMOST a third of companies surveyed in the FSA-Contact 1994 affirmative action monitor paid premiums of up to 50% to attract top black personnel in their quest to meet set targets, according to survey co-ordinator Harriet Webster.

The monitor, a follow-up to a November 1992 report, found that 48.2% of companies recruited new staff rather than train and promote from within to change the racial structure of their workforces.

Webster said only 31.3% of companies surveyed had chosen the latter course of action.

"The incidence of training and development of existing staff is very small at 18.1%. This appears to be inadequate when viewed in the light of the affirmative action targets organisations are setting."

She described management forecasts of 14.1% black appointees in senior management positions by 1997 as optimistic. Webster said the racial composition of the workforce was changing, but was changing slowly.

For example, the proportion of black representation in senior management ranks had risen only marginally from 1.9%

to 3.9% from 1992 to date.

Part of the drop in white senior management appointees was attributed to emigration of senior personnel. (176)

However, in the professional categories, affirmative action had been more successful, with the proportion of black professional staff increasing from 11.2% to 13.6% over the same period, Webster said.

The survey forecast that black workers in general staff categories would increase slightly to 29.6% by 1997 from the current 27.5%.

"While the proportion of black general staff appears to be stagnating, this may be a result of development and promotion at these levels."

In the lower categories, Webster forecast a more than doubling of coloured workers from 11.4% of this category to 29.8% by 1997.

Webster noted that affirmative action policies had been most successful in the manufacturing/technical area followed by administration and human resources. The sales and financial fields had been the least affected.

The Development Bank believes South Africa should draw on the experience of Malaysia with affirmative action as it shapes its own policies. Michael Chester reports

Hunting down a tiger to emulate

Mike Muller had good reason to draw a circle around Malaysia when he studied a world atlas last year.

It was to take a fresh count of all the countries that have had a hard time starting on South Africa in export-orientation with affirmative action.

As a senior planning executive at the Development Bank of Southern Africa, based at Midrand, he was searching for role models from which SA should be able to extract a few lessons on how to tackle its own approach to the controversial issue.

Nowhere, it seemed, had anyone yet found all the ideal answers. But at least there was by now a pattern of "Do and Don't" clues that might be useful in spelling out new guidelines to both the private and public sectors.

There were a number of reasons why Muller, who had already put Brazil and South Korea under the microscope, next picked Malaysia to explore

and ascertain how much progress had been made — and what sort of danger zones had been encountered.

Malaysia was not only comparable with South Africa in terms of such World Bank yardsticks as basic resources, population and average living standards. It also had had to contend with historical problems of a multi-racial society in which the indigenous population had long languished at the bottom of the socio-economic ladder.

Another compelling reason was the chance of finding the magic formula that had propelled Malaysia from so-so status in south-east Asia to one of the legendary new Pacific Rim economic tigers whose performance has amazed global rivals.

How, while South Africa had been at a standstill or a dawdle at best, had Malaysia managed a stunning economic expansion of no less than an average of 6.8 percent a year since 1970?

Ironically, it took the terrible wave of race riots that hit Kuala Lumpur in 1969 to set Malaysia on course to its economic successes. The first lesson learned from the riots was that there was no room for error in planning affirmative action.

Malaysia had inherited a half-baked sort of AA programme from its old British colonial rulers when it attained independence in the 1950s. Its fundamental error had been in fixing a rigid quota that insisted that four in every five jobs in the entire public service must be reserved for indigenous Malays, even though they accounted for less than half the population.

The system was regarded as "blatant discrimination" by Chinese and Indian residents, who, between them, outnumbered Malays at the time. And it was a quota rule that in the end backfired as a primary issue behind the racial tensions that finally snapped.

The coalition government that staggered out of the crisis allowed a lot more sensitivity in the brand new affirmative action programme that followed the riots.

In particular, it was much more cautious about setting strict quotas for job allocations between the indigenous population — now collectively known as Bumiputeras since the merger of Malaya with South China Sea neighbours Sarawak and Sabah — and the large Indian and even larger Chinese communities.

Instead, the government elected to leave a little more elbow room by setting targets rather than precise quotas for what ought to be achieved. The timetable also showed more flexibility, it allowed as long as 20 years to hit targets by 1990. All was spelt out in what was named the New Economy Plan (NEP).

It was a subtle shift in emphasis that put pots of polance on dynamic economic expansion to underpin the overall plan by bringing the thicker layer of wealth that would mean higher living standards — and more jobs and more business enterprises — for everyone.

There were several layers in an AA programme that now took aim not only at employment practices but also at the alleviation of poverty in the longer term, along with a bigger stake for Bumiputeras in the ownership of companies and the economy in general.

Few observers have been surprised by the heaviness of the stress on a more democratic spread of the ownership of businesses in both the public and private sectors. It was resentment about the business wealth of a tiny proportion of the Chinese community that was another burning issue in the 1960s.

The NEP set out to change all that by trying to ensure that the Bumiputeras stake in the business world was gradually increased to around 30 percent by 1990 — two decades ahead.

Mechanisms varied from the assistance that 30 percent of all new shares issued by many companies was offered to Bumiputeras to the establishment of special unit trusts created specifically for Bumiputeras savers. There were also government support schemes for Bumiputeras enterprises.

Even a 20-year timetable proved a bit too ambitious. It turned out that at least the Bumiputeras stake in corporate ownership had soared from barely 2 percent in 1970 to more than 20 percent by 1990 — and pressing higher.

Affirmative action in jobs has loosened the emphasis on quotas to spread out a variety of incentives for Bumiputeras recruitment into the public and private sector. Tax breaks are included. The programme has also been interwoven with the creation of

extra jobs in brand new institutions launched by the government to handle AA projects.

Side by side are education and training schemes specifically tailored to generate a bigger and faster supply of professionals in the economic mainstream. Bumiputeras, long confined to blue-collar jobs, accounted for as many as 28 percent of all professionals in Malaysia by the start of the 1990s.

The Kuala Lumpur government came to recognise it would take a generation of education reform and economic development to find all the remedies to poverty, which in 1969 entrapped 65 percent of the rural population in absolute destitution.

While longer-term programmes pushed ahead, the NEP struck out with action packages in land reforms that have resulted in no less than 1.5 million hectares of rural land coming under cultivation in a vast network of new smallholder farms

units launched by the federal and state governments in joint anti-poverty exercises.

Mike Muller, in a bulletin published by the SA Institute of International Affairs, makes plain that even the Malaysian model contains a number of imperfections and notes that there are still tensions about affirmative action policy that have yet to be resolved.

"Given Malaysia's history, ethnic make-up, federal structure and general level of economic development," he writes, "an understanding of its development dynamics can provide invaluable insights for South Africans."

"South Africans can only hope that we will be as successful in addressing our social conflicts and economic development as the Malaysians have been since 1970."

"We should, however, see it as a model to learn from rather than to be emulated in every detail — a caveat emphasised by many Malaysians themselves."

Management 'out of touch' with black aspirations

S Times (Buss)

314194

FOR 40 years, Joe Dladla worked as a sweeper at one of Johannesburg's top companies. When he retired, he received a gold watch. In perfect English, he thanked the managing director. (176)

It was the first time anyone in management had heard him speak.

"If we had known that he spoke so well we could have used him on the switchboard or as a receptionist," said a manager.

The name Joe Dladla is fictitious, but the tale is true.

It was told in Oxford this week to 200 black South African students by Lot Ndlovo, executive director of the Black Management Forum.

It sums up the fate of students about to complete their studies at UK universities. Only half of them hope to gain appropriate employment in SA in spite of the apparent shortage of qualified blacks.

The reasons are varied, but in most cases centre on lack of access to management. In many companies the graduates have to deal with people afraid of black advancement. The simple logistical problems and cultural shock of returning to SA, possibly to a run-down township, are other obstacles. The lucky ones are being courted by companies committed to black advancement. Scouts for Total SA, Eskom, Anglovaal and Standard Bank

By CHERILYN IRETON: London

were in Oxford this week interviewing potential black managers. Several will be flown to SA for follow-up interviews.

The Windows on Work in SA seminar, which has been held annually at Oxford over the Easter holidays since 1992, is receiving increasing support from companies, so much so that a permanent office will be opened in Braamfontein, Johannesburg.

It will provide students at SA universities with similar information and advice to that on offer to those who study abroad.

Mr Ndlovo spoke to the students about affirmative action in SA.

He said: "Blackness is a qualification for success, but it is not enough to be black. You must learn the principles of business and change those things that need changing."

A key to advancement was placing the right people in positions to elevate blacks, not "phoneys" who were afraid of promoting anyone.

Businesses in the new South Africa would have to be given an African context. "South Africa is an African country and can't operate like an outpost of North America or Europe."

People won't be thrown on street, says Minister

Move to blacker civil service

BY ESTHER WAUGH
POLITICAL CORRESPONDENT

Moves are afoot to make the public service, and especially its top echelons, representative of South Africa.

The Minister of Public Service and Administration, Dr Zola Skweyiya, told The Star yesterday there could be no compromise on the "infusion" of blacks into the civil service.

"It is of paramount importance that the public service at its top echelon represents South Africa.

"But one cannot throw people into the street. We are bound

by the Interim Constitution (which guarantees jobs, salaries and pensions)," Skweyiya said.

On a gender-sensitive civil service, he said he and the Public Service Commission "will try by all means that women, and especially black women, get top representation in the civil service."

He said new appointments in the civil service had not been possible because a unified service had not existed until the proclamation of the Public Service Act on Friday.

The legal basis for a representative civil service was now being laid. This involved the proclamation of the Public Ser-

vice Act, the Public Service Relations Act and the Public Service Commission Act.

On the appointment of directors-general in the various departments, Skweyiya said the Minister would first advise the Public Service Commission to advertise such a post. He and the commission would then have to agree on the candidate before the appointment was approved by the Cabinet.

In a statement issued yesterday, Skweyiya said the proclamation of the Public Service Act on Friday meant that a unified public service could now be de-

played at national and provincial levels.

"It makes provision for 32 national departments and nine provincial administrations.

"It will now be possible to rationalise the administrative structures of the former public services into these new structures," he said.

Skweyiya added that consultation would take place during the rationalisation process.

The Act also provided for the establishment of uniform terms and conditions of employment for all public servants.

THE STAR / TUESDAY



Affirmative action 'needs careful and proper handling'

Bisay 8/6/94

EFFECTS of affirmative action on the assurance industry, if carried out with purpose and sensitivity, would increase its credibility among the business and social community, Norwich Life MD Charles Davies told the Ipa convention.

The "close to home" benefits would be workplace harmony, a growing skills and resource pool and, ultimately, greater market penetration.

However, if affirmative action were poorly implemented, its effects on the industry could be disastrous, he warned.

Political equity had been accomplished, and now social equity had to be achieved.

There would be no social harmony without the opportunity to work and earn a reasonable income, since housing, education and health services would have to be paid for by everybody.

At the same time as returning dignity and self-esteem to many South Africans, affirmative action would enhance the quality and size of the labour pool and competition

among working people to succeed. This in turn would stimulate learning, study, self-reliance, improvement and ultimately a prosperous society.

"While the lack of suitable candidates will, for a while, lead to a high rate of mobility among particularly black employees, the growth in the number of entrants into business and more senior positions will in time create a climate for less staff turnover and employee stability," Davies said.

In practice, affirmative action evoked fears of dropping standards, poor customer service, inaccuracies, poor turnaround times and even "what will become of my own promotion chances?" and "how will my son or my daughter find a job?"

These fears, potentially real and reasonable, could be addressed by a proper strategy, good planning, training and commitment.

In formulating the necessary policy and objectives, it was important to have a clear vision endorsed by management and staff

and promoted within departments. There should be clear number and qualification criteria, a major induction programme and a personal mentor together with structured training and development plans.

Promotion should be based on a policy of promoting from within and should be strictly on merit.

Davies also recommended the creation of an affirmative action committee, which should monitor, evaluate success and failure, encourage internal mobility and sustain management support.

He cautioned companies to beware of the programme becoming politically expedient, focused on race rather than on gender and part of a "black victim" syndrome.

"Affirmative action is a focused practice which will lead to Ubuntu, described as African humanism. This is a process of an individual expressing his capabilities and desires and accomplishing aspirations through sharing and harmony with honest and full participation in society."

AGENCY 302247 E

1 000 new posts to be created

Public service affirmative action begins

Bl Day 9/6/94

(176)

CAPE TOWN — Government announced a comprehensive affirmative action programme for the public service yesterday, including the immediate creation of 1 000 new posts up to management level.

Public Service and Administration Minister Zola Skweyiya said all unimplemented Public Service Commission recommendations for the filling of posts had been withdrawn and the posts would be advertised again. The commission is the policy arm of the public service.

Skweyiya gave an assurance that the posts would be filled within existing budgetary allocations.

A Public Service Commission spokesman said there were more than 1 000 vacancies in the service, aside from 1 000 "strategic" posts that would be created.

The Minister announced several longer-term steps to set up affirmative action monitoring mechanisms in the public service. A monitoring "organisational component" would be set up in each department "to assist management in promoting representivity", and a database would be established to continually analyse the composition of the public service.

Skweyiya's announcement was received coolly — for different reasons — by Cosatu and the conservative Public Servants' Association.

Cosatu spokesman Neil Coleman said it raised questions which would be discussed at a meeting between a delegation from Cosatu and its public sector unions and the Minister. "We will discuss an approach to public sector restructuring which will ensure that (government's) reconstruction

DAVID GREYBE

and development programme is effectively implemented. It is important that public sector restructuring goes beyond a few affirmative action appointments."

Public Servants' Association GM Casper van Rensburg warned that unless there was a clearer national affirmative action policy, it could be open to abuse by individual departments and provinces.

"Skweyiya's statement is not clear enough on exactly how affirmative action will be implemented. There are a lot of rumours flying around."

Van Rensburg said affirmative action should not be used "to get rid of existing public servants", but to maintain standards. However, he welcomed the "calming effect" of recent statements by President Nelson Mandela and members of his government on the public service.

Skweyiya said government was committed to transforming the public service to serve all South Africans, but the public service he had inherited failed to comply with the requirements of the constitution because it was not broadly representative.

"The problem is not just the lack of representation of racial groups in many categories, but also gross under-representation of women, particularly black women. This needs to be addressed as a matter of urgency."

The Public Service Commission had embarked on a programme "to ensure that groups that are under-represented are targeted for immediate employment".

SA employs between 900 000 and 1,2-

□ To Page 2

Public service

Bl Day 9/6/94

□ From Page 1

million public servants, including those in the former TBVC states and self-governing territories. (176)

Skweyiya's plan of action for the short term emphasised advertising.

Steps included the immediate advertising of all vacant posts, the countrywide distribution of a special circular listing the vacancies, and advertisements in newspapers "to bring the vacancies to the attention of persons from the under-represented groups". But this would not exclude applications from other races, such as whites.

The process of advertising, selection and appointment would be managed by the Public Service Commission. Departments would also be involved.

Longer-term plans included:

□ A separate component of the Public Service Commission would be set up to help the commission deal with "all issues relating to representivity";

□ Bursaries would be granted "to enable needy students from under-represented groups to equip themselves academically for careers in the public service";

□ Special training courses would be introduced to enable prospective and serving members to meet the prescribed requirements and operational standards; and

□ The public service as a career would be promoted among the under-represented groups.

focus on labour

Sowetan 30/5/94

THERE HAS BEEN AN ENCOURAGING increase in the number of companies implementing affirmative action programmes over the past year, according to the latest Affirmative Action Monitor Survey.

South African companies that have implemented affirmative action programmes have set themselves optimistic targets for black advancement and promotion.

More than a quarter of South African companies have started affirmative action programmes during the past 12 months, the survey found.

The results of the survey, released this month, is a follow-up to the one conducted by a leading human resources consultancy, FSA-Contact, in November 1992.

It is aimed at measuring developments in the implementation progress of affirmative action programmes in South African companies.

According to Monitor co-ordinator Miss Harriet Webster almost three quarters, which is about 71 percent of the responding organisations representing the entire spectrum of South African economic activity, with the exception of mining, have either a formal or informal affirmative action policy in place.

She said of about 27 percent of companies without any type of policy in place, more than half, about 55 percent, intend formulating and implementing one within the next six months.

Formal policies

Webster said: "The 25 percent overall increase in affirmative action policies in place is even more significant when we consider that the number of formal policies has risen from 28 to 50 percent in 1992 while the percentage of informal policies have declined from 30 to 23 percent.

"This striking increase implies that companies are beginning to integrate affirmative action more seriously into their corporate strategies," she explains.

However, the increase also suggests that the threat of a new government adopting legislation relating to affirmative action is a real one.

Webster added: "South African organisations must realise that effective affirmative action is the key to their future survival.

"While most respondents stated that a desire to overcome the inequalities of the past was their main reason for implementing an affirmative action policy, another major reason given was the threat of a future government imposing some sort of quota system.

"And just over half, about 52 percent, of all organisations who indicated their intention to implement affirmative action in the future, stated this was a result of the threat of a government-imposed quota.

"Only three percent of all respondents stated that their programme was implemented, or would be implemented as a result of union and workers' pressure".

Affirmative action is still new in South Af-

A new survey finds that companies are beginning to integrate affirmative action more seriously into their strategies. Labour Reporter **Ike Motsapi** investigates the trend:



None of the participating organisations which have implemented affirmative action policies regard them as being extremely successful

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rica, though, and only about a third of companies operating here with formal affirmative action policies, about 29 percent, started implementing them between one and two years ago.

"A third of the policies have been in force for between two and five years.

"However, none of the participating organisations which have implemented affirmative action policies regard them as being extremely successful.

"Nevertheless, the vast majority state they are reasonably successful and only four percent reported them to be totally unsuccessful.

"The emphasis of all programmes is on black empowerment but there has been slight increases in the proportion of companies also focusing on female staff and the disabled.

"The percentage of affirmative action policies which also focus on coloured and Asian staff remains unchanged," said Webster.

Meanwhile, the proportion of black general staff is not expected to increase.

Webster said: "Between 1992 and 1994 it rose from 26,2 to 27,5 percent and estimates are that it will reach 29,6 percent by 1997.

"The proportion of coloured staff is expected to increase some seven percent to 13,5 percent up from 5,45 percent in 1992 and 6,4 percent in 1994.

"White general staff fell from 66,3 to 63 percent between 1992 and 1994 and is expected to decline further to 51,8 percent in 1997.

Significant changes

"The most significant changes are expected in the category of lower skilled workers.

"While blacks are still expected to dominate this category in 1997 holding about 65,4 percent of these positions, this is 20 percent less than current levels of 86,5 percent.

"At the same time, the proportion of coloureds filling lower skilled positions is expected to increase from 11,4 percent to 29,8 percent in 1997.

The number of white professionals declined between 1992 and 1994 from 84,7 to 78,4 percent and is expected to further decrease to 70,5 percent by 1997, the survey predicted.

"In the same period the number of black professionals rose from 11,2 to 13,6 percent and is projected to rise to 14,7 percent in 1997 when about 9,6 percent of professional positions are expected to be filled by coloureds," Webster added.

She concluded: "When examining the changes in organisational profiles and targets for affirmative action programmes, it is interesting to note that the staff category of professionals is close to achieving its target than, for example, senior or middle management.

"Indeed, while it may be argued that without stringent targets, nothing will be achieved, it appears these targets may be optimistic," she said.

Here follow the statistics revealed by the survey:

- About 25 percent increase in the implementation of affirmative action policies since 1992;

- Only nine percent of South African companies do not intend implementing an affirmative action programme;

- About 52 percent of soon-to-be implemented affirmative action programmes are in response to threats of legislation or imposed quotas;

- Companies plan to increase the number of black senior managers by 10,2 percent by 1997;

- The number of white senior managers is expected to decline by 17,1 to 76,5 percent by 1997;

- Companies predict a 20 percent increase in the number of coloured workers in the lower skilled positions by 1997;

- About 30 percent of companies are paying salary premiums of up to 50 percent to attract top black personnel;

- Targets for black advancement and promotion are unlikely to be met without significant increases in training and development;

- About 96 percent of affirmative action programmes are reasonably successful and only four percent are totally unsuccessful;

- Commitment to affirmative action programmes are dwindling at middle and line management levels;

- About 12 percent of companies have experienced a drop in standards as a result of affirmative action; and

- About 100 percent of affirmative action programmes focus on black empowerment.

Sowetan 27/6/94

Erasing sins of apartheid

By Ike Motsapi

AFFIRMATIVE action should be designed to redress the imbalances created by apartheid, the Institute of Personnel Management says.

In a policy document on affirmative action, the IPM says the programmes should create a society in which everyone has the same chance to get on in life.

From an employment sector perspective, IPM proposes the following definition:

"Affirmative action is a business strategy and process aimed at transforming socio-economic environments which have excluded individuals from disadvantaged groups in order for such disadvantaged individuals to gain access to opportunities based on their potential."

IPM believes that there are degrees of "disadvantage" and that the primary group which should benefit from affirmative action in South Africa are blacks.

"We firmly believe that women and people with disabilities should benefit from fundamen-

tal equal opportunity situations which are gender, disability and race sensitive," according to the IPM.

(176)
"Such equal opportunity should be a non-negotiable fundamental principle in all organisations."

IPM believes that organisations need to address the following areas within a broader affirmative action framework:

- Education;
- Skills development;
- Upward job mobility;
- Economic participation;
- Equity participation;
- Housing;
- Land acquisition;
- Electrification;
- Health;
- Transportation;
- Telecommunications; and
- Substantial and comprehensive change.

"This transformation should involve both an internal and external focus and should include

black business development," according to IPM.

IPM said it believed in the affirmative action process for the following reasons:

● Economic: Affirmative action creates competition which results in better performance and productivity, and therefore better economic performance;

● Social: Normalising our society to reflect the population distribution;

● Political: Putting apartheid behind us and working towards an integrated non-racial and non-sexist society;

● Investment: If we anticipate attracting foreign investors to South Africa, our organisations need to be more representative of the population;

● Markets: To increase our markets internationally, our organisations will need to become more productive, competitive and become racially integrated at all levels of employment; and

● Competition: Affirmative action will increase competition in employment practices, and therefore increase performance and productivity.

Armcor committed to affirmative action

Political Staff

(176) ~~184~~

ARMSCOR has committed itself to an affirmative action policy — and 70% of new appointments will be black.

ARC 6/7/94

Armcor spokesman Abba Omar said this at an Institute of Maritime Research briefing yesterday.

He also said Armcor plans to be more accountable to the public.

Mr Omar said the new Armcor would seek input from trade unions, human rights organisations, environmental bodies and other interest groups in determining policy.

Armcor also planned to have a board of directors representative of South African society.

It was important to empower society in the interests of informed decisions. This empowerment included public briefings and tours of Armcor plants. Educational workshops would be held at schools.

Armcor would continue to act within government policy, but also would strive to be sensitive to people's sentiments.

Mr Omar said Armcor was looking forward to seeing the shroud of secrecy around the international arms trade removed.

Top blacks 'demand exorbitant salaries'

5 Day
30/6/94

A BACKLASH is developing against exorbitant salaries demanded by some black candidates for affirmative action positions, says executive selection company Woodburn Mann MD Trevor Woodburn.

Woodburn said the relative non-availability of senior-level black managers was being exploited by some individuals.

There were those who were playing companies off against each other to see who could come up with the best package. "Companies are becoming fed up with the ridiculous salary demands."

However, the majority of companies still wanted blacks on their boards to bring an appropriate and relevant perspective to their business. (176)

"Neither white nor black directors wish to appoint blacks as window dressing — black non-executive directors, for example, can bring very valuable social, political and community assets to the board."

One of the problems facing SA companies today was that the scarcity of qualified senior black professionals had been exacerbated by many competent execu-

AMANDA VERMEULEN

tives leaving the corporate sector to go into business for themselves.

Among the remaining candidates, few had line management skills, he said. Corporates were solving this problem by appointing non-executive directors to their subsidiary companies.

The incumbent was then placed in a training environment where he could gain practical experience before joining the main board.

Another route was an understudy programme where experienced directors were assigned trainees to familiarise them with the board.

Woodburn also suggested that companies use psychometric testing to assist in establishing personal ability to make meaningful contributions at board level.

He added that the long-term development of black executives could be fostered if companies established mentoring programmes that began at school level and continued through university.

Managing fear of the unknown

MANAGING the transition in the business environment will become crucial to the survival of companies in the new corporate culture, says management company Drake Beam and Morrin (DBM) CEO Peter Riches.

"Downsizing, rightsizing, mergers, re-engineering, re-organisation and flattening of structures are no longer just buzz words — they have become the norm in corporate SA."

However, senior management often did not clearly articulate the vision and mission of their companies, leaving employees confused about company goals.

At a time when companies needed to include employees in new strategies and structures demanded by the changing corporate environment, fear of the unknown was hampering productivity and ultimately profitability.

AMANDA VERMEULEN

Companies needed to manage the transition period by providing employees with an insight into why they resisted change, and by giving them an opportunity to express their emotions constructively.

"However, management must develop new corporate strategies absorbing employee beliefs and attitudes."

Management must realise that successful implementation of new strategies rested on the employee's ability to make the transition to a new environment focusing, for example, on black empowerment.

Although the SA situation was largely unique, corporates could model their transition management on the basic principles which guided the political process to its successful outcome. "A critical factor in all transition management is the level and quality of communication," Riche said.

SAB, Cosatu launch trust

SA BREWERIES and Cosatu last night launched a jointly controlled trust fund aimed at promoting black economic empowerment with an initial pledge of R10m from the company. *B/Dey*

The Masimbambe Trust's six trustees — three each appointed by Cosatu unions represented in the group and by SAB management — would evaluate project proposals with job creation objectives, SAB group executive chairman Meyer Kahn said.

"The broad aim of the trust is to promote the economic upliftment and empowerment of black people in SA."

Kahn said the group was delighted to have launched a first joint business-labour initiative, which was "living proof that management and labour can elevate themselves above shopfloor issues and work in partnership in the national interest".

He stressed the guiding principle of the trust was co-determination. *7/7/94*

Its main objectives were to promote black advancement through infrastructural, financial and management support; to promote activities directed at black economic empowerment; and "to

ERICA JANKOWITZ

give special attention to projects which seek either directly or indirectly to create jobs or to develop skills or to provide infrastructure for economic empowerment in the community".

Minister without Portfolio Jay Naidoo, in his first official engagement, said the trust represented an important event in building partnerships which would be the foundation of reconstructing SA.

Trustees would be charged with raising additional funding — both from SAB and other sources — as well as evaluating project proposals. *(76)*

Company trustees are Kahn, SAB chief operating executive Graham Mackay and corporate affairs director Soto Ndukwana.

Union trustees are Food and Allied Workers' Union general secretary Mandla Gxanyana, SA Clothing and Textile Workers' Union's ex-general secretary and ANC MP John Copelyn, and Paper, Printing, Wood and Allied Workers' Union's Obed Nzimande.

● Picture: Page 3

Star 9/16/94

Snail's pace affirmative action

■ BUSINESS STAFF

The number of companies implementing an affirmative action policy has risen by 25 percent in the past two years.

This is one of the trends to emerge from research by human resources company FSA-Contact.

Its report says companies implementing affirmative action programmes have set themselves optimistic targets for black advancement and promotion.

Report co-ordinator Harriet Webster says the face of the workforce is slowly changing.

"From 1992, the percentage of black senior managers rose from 1,9 percent to 3,9 percent. By

1997, companies project this will rise to 14,1 percent, while the number of white senior managers — which declined from 97,4 to 93,7 percent between 1992 and 1994 — is expected to drop to 76 percent by 1997."

While companies plan to increase the number of black senior managers by 10,2 percent by 1997, Webster says this could be regarded as optimistic, "particularly when the trend of the past five years has been an increase of 1,7 to 2 percent".

Other trends to emerge from the report reveal:

- Only 9 percent of companies do not intend implementing a programme.
- A total of 52 percent of

soon-to-be implemented programmes are in response to threats of legalisation or imposed quotas (176)

■ Some 30 percent of companies are paying salary premiums of up to 50 percent to attract top black personnel.

■ Commitment to affirmative action is dwindling at middle- and line-management levels.

■ At least 12 percent of companies have experienced a drop in standards as a result of affirmative action, compared with 24 percent in 1992.

■ All programmes focus on black empowerment, while 78 percent focus on coloured and Asian staff, 66 percent on female advancement and 31 percent on disabled staff.

Balancing affirmative action

THE ANC has set out to transform SA: nothing less will do. Changing the racial composition of management, the professions, the universities — all the institutions of power — will be central to that transformation. South Africans no longer debate the moral arguments in favour of affirmative action, or the utilitarian arguments against it.

They treat it as inevitable. Apartheid prevented the entry of blacks into the managerial and entrepreneurial classes; now this must be reversed lest apartheid's legacy destroy the spirit of racial goodwill which was such a welcome by-product of SA's first democratic elections.

The scale of the task is enormous: within the public service, most power lies in white male Afrikaner hands.

Although many government ministers are now black, most senior public servants remain white.

Before the elections, fewer than 1% of top positions were held by blacks. Only a handful of senior black appointments have been made since then.

Blacks still have only a token presence on the boards of leading companies and top management is mostly white.

Although a recent survey showed that the number of senior black managers had doubled in the past two years, the figure had risen from 1,9% to only 3,9%.

Changing the balance radically will be

In a survey of the country PATTI WALDMEIR of the Financial Times looks at plans to promote SA blacks through affirmative action.

difficult because apartheid has deprived blacks of the education and work experience they need to cope at senior levels of management.

Few are qualified to run government departments or big corporations.

The large pool of bureaucrats from the former homelands provides few technically competent individuals, and far too many who rely on nepotism and corruption to survive.

Public corporations such as SA Airways and the electricity utility, Eskom, have made big strides toward correcting the racial imbalance. But the public service has lagged.

Public Service Minister Zola Skweyiya has pledged to pursue a vigorous affirmative action policy.

He says that although white public servants had their jobs guaranteed under the constitution — none can be sacked except

with full pensions — they can be moved from their posts to make way for black candidates.

No one will lose but the taxpayer, because the only conceivable way in which whites can be retained and blacks advanced at the same time will be by adding more employees to the already bloated public service payroll.

Private sector business, too, has read the writing on the wall, judging it better to take pre-emptive action now rather than risk legislation in future.

A recent survey conducted by Johannesburg company FSA-Contact showed that three quarters of the companies it reviewed had affirmative action programmes in place, up from just more than half last year.

The ANC has indicated that it would prefer voluntary affirmative action to legislated change, but has also made it clear that legislation would be enacted if companies proved recalcitrant.

Some ANC officials have suggested tax incentives to companies who train workers to further affirmative action.

Others focus on punitive levies to penalise those slow to change.

But both the ANC and its allies in the trade unions agree that racial quotas,

legislated or voluntary, are unwise.

SA Clothing and Textile Workers' Union economist Ebrahim Patel says that "workplace democratisation" — bringing workers into decision-making structures — is one way of getting around the shortage problem while still empowering blacks in the workplace.

Cosatu general secretary Sam Shilowa is keen to insist that affirmative action is not intended to penalise whites.

Says SA Railways and Harbours Workers' Union president Nelson Ndisa: "If affirmative action is seen as taking white jobs it can be detrimental, it can cause strikes."

Ewan Abrahamse, a union official, says: "In the end, we'll bear the brunt of the racial tension in the workplace.

"If we cannot have a better understanding between whites and blacks the country will be ruined."

He might have been quoting from a recent ANC policy paper: "If well handled, affirmative action will help bind the nation together and produce benefits for everyone. If badly managed, affirmative action will simply redistribute resentment, damage the economy and destroy social peace."

Survey probes affirmative action views

ABOUT 73% of engineering companies questioned in a Steel and Engineering Industries' Federation of SA (Seifsa) survey recognise the strategic benefits of affirmative action, while 61% see a need for it.

But the proportion of companies claiming to have developed an affirmative action policy has fallen slightly from 39% in 1993 to 38% this year.

Confusion over implementation was cited by 35% of companies without an affirmative action programme. Only 23% opposed the principle of affirmative action; 18% were concerned about lower standards; and 3% feared a white backlash.

The survey — compiled and inter-

8/Day
20/7/94
MARK ASHURST ✓

preted for Seifsa by labour consultant Duncan Innes — identified affirmative action, training, productivity and participative management as four key areas that challenged employers' commitment to progressive management. It also highlighted managements' failure to involve employees in the process of devising strategy.

Although 63% of companies with affirmative action programmes viewed them as a means of developing existing skills bases, 83% of companies had not discussed their management policies with unions. Awareness of the need for better

training had risen from 75% of respondents in 1993 to 84% in 1994. This translated into increased training budgets among one-third of those surveyed. More than half had maintained last year's training budget.

Less than half the sample had implemented productivity or participative management schemes. In both instances, an "uneducated/unsophisticated workforce" and a low level of confidence in the benefits of such schemes had contributed to their "failure or partial success". (176)

Companies claiming to have introduced participative management schemes had risen from 19% to 43%.

Lack of faith hampering black advancement

Biday 21/7/94

KARL HOFMEYR

THE composition of management in SA's public and private sectors is highly skewed in terms of race and gender, less than 3% of all managerial posts are held by blacks while women make up a tiny percentage of the overall managerial group.

This imbalance has become the target of politicians, journalists, academics and senior management members themselves, who are looking to recruitment policies to rectify matters over the next few years.

How are whites responding to this trend? Are there not some feelings of insecurity at joining the ranks of a displaced group? Do managers in SA see the need for continually driving affirmative action policies forward? How do white managers evaluate the performance of their affirmative action colleagues?

A research study was undertaken at Unisa's Graduate School of Business Leadership, in conjunction with International Survey Research of Chicago. The sample of SA managers was largely drawn from middle and senior level managers attending the school's seminars and programmes.

From the survey it would appear that most managers believe affirmative action is a necessity, citing the

disadvantages blacks have been placed at in the past. More than half also believe that if their company does not advance more blacks, the company will have a serious skills shortage in the future.

There is, however, concern that standards will drop with affirmative action policies. About 40% of managers believe that if more blacks are promoted in their company, work standards will be affected. This could lead to a self-fulfilling prophecy, with managers expecting failure of affirmative action candidates.

Respondents were asked what they saw preventing the advancement of blacks. In rank order these were identified as: lack of ability of black staff; lack of experience among black staff; lack of programmes and policies to support advancement; cultural values and the style of the organisation; managers being socially uncomfortable from the top of the organisation.

Again, the priority given to 'lack of ability of black staff' is of concern because, if taken literally, it means that many managers doubt that blacks have what it takes to succeed. This rather extreme view must be tempered with the other issues

raised. In particular, lack of programmes to support affirmative action candidates, together with the cultural values of the organisation, will certainly militate against black advancement. For affirmative action to succeed, it is clear that not only the candidate must adapt, but also the organisation.

An important feature of affirmative action and people development in general is the extent to which a culture of recognition and support is created which encourages managers to train and coach their subordinates. In this study some concerns were raised about the extent to which this kind of culture exists.

Only one in three managers felt they were recognised and rewarded for demonstrating good management skills. Less than half felt their immediate manager gave them regular feedback on their performance, or took an interest in their professional development. If this is the case, then it is less likely that they, in turn, will be motivated to develop

their subordinates.

This has serious implications for people development because about 80% of what managers learn is obtained from experiences at work. The boss-subordinate relationship is particularly important in this regard. If most white managers believe they are not properly mentored in their work, black candidates who require additional support because of inadequate educational backgrounds — will find development of the required competencies a very difficult goal.

Do companies encourage their managers to take risks and to express their opinions and ideas? The survey found that some managers felt there was a lack of managerial empowerment. Almost half the managers surveyed indicated that, in their opinion, too many approvals were needed for routine decisions. In addition, 43% believed their opinions and thinking were not taken into consideration by top management in determining company policy.

Managers were asked whether a number of dimensions had improved or not in the past year. The areas where managers felt deterioration were morale and productivity. More

positively, most managers felt that race relations were good and one-third indicated that race relations had improved.

Affirmative action policies are recognised by most managers as a necessity for the future well-being of companies and the country as a whole. Most feel that race relations in their organisations are good despite the turmoil in the wider society. However, many express scepticism at the implementation of affirmative action. This is due in part to a lack of faith in the abilities of the present crop of affirmative action candidates, but also to the lack of support given to black candidates in managerial positions.

It is clear that affirmative action must be viewed as part of a broader strategy of management development and organisational change, and that this encompasses empowering managers by the downward delegation of decision-making to the appropriate levels in the organisation.

□ Hofmeyr is professor of organisational behaviour at Unisa's Graduate School of Business Leadership. This is an edited version of an article in the current issue of the *Innes Labour Brief*.

LETTERS



Development Bank of Southern Africa CE Andre la Grange and chairman Wiseman Nkuhlu at a news conference in Johannesburg on Friday.

Picture: ROBERT BOTHA

'Race sensitivity' at bank

GRETA STEYN

THE sensitivity of black staff at the Development Bank of Southern Africa to remarks by senior white staff that could be construed as racist needed to be addressed, bank chairman Wiseman Nkuhlu said at the weekend.

Speaking after a two-hour meeting to address staff problems, Nkuhlu said: "Casual remarks are made about the capacity of government officials. As a professional institution, it is nothing new for us to talk or joke about having more expertise than government.

"But in the past, it was whites talking about other whites."

When the remarks were made by whites about blacks, Nkuhlu said, "a lot of emotion" was stirred. (76) (207)

These sensitivities needed to be addressed.

He believed relations between management and staff were "fragile" and was disappointed that a relationship of trust had not been established. He believed the breakdown in relations was part of the birth pains of the new SA, rather than the result of the Development Bank's past as "an apartheid institution".

Because the bank had proceeded rapidly with affirmative action, there was a large pool of black staff that could potentially feel mar-

ginalised. Other companies would begin experiencing the same problems.

Nkuhlu said there was an eagerness among black staff to be seen "by their peers on the other side" as playing an important role in the development process. They felt frustrated when presentations were made by white officials, which was in line with the policy that the most senior people acted as spokesmen. "It is important to understand these sensitivities and learn to manage them." 2517194

Sources said bank CE Andre la Grange told staff at the meeting that he was prepared to resign if that was what they wanted. However, they wanted him to stay. The anonymous bankers leading the campaign against management failed to come forward at the meeting.

La Grange emphasised the bank's commitment to the reconstruction and development programme, which had been questioned by the anonymous staffers. He noted that he had disagreed with the "extreme free market views" of former bank director Desmond Krogh over a period of years. Krogh resigned after being accused of being anti-RDP.

Affirmative action 'is causing tension'

ARG 29/7/94 (176)

DAVID YUTAR
Staff Reporter

AFFIRMATIVE action is causing increasing tension between black and coloured people in the Western Cape, says educationist Franklin Sonn.

Mr Sonn, chairman of the National Education and Training Forum, said certain companies were retrenching coloured workers and replacing them with blacks, whipping up racial tension.

He said affirmative action was being "subverted" in this manner and had "turned many

radicals into reactionaries".

Mr Sonn was guest speaker at the launch of two career guidance books by the Education Information Centre and the Career Research Information Centre.

The books, *Working People* and *Innovative Guidance*, are designed for use in secondary schools.

The first provides information on various careers as described by workers, while the other is a teachers' manual using a range of activities to help

students make career decisions.

Mr Sonn said the aim of educators was to create an environment in which all children would feel they had equal opportunities to follow the careers of their choice.

Many of the old problems of the apartheid educational regime were still present today.

"Is it feasible in the new South Africa to teach children to aspire to certain careers when they find the same old barriers, and some companies

still practise old-style discrimination?

"Career guidance teachers have to address these issues because if they do not, the majority of people in the Western Cape will become reactionary."

One of the most serious problems facing educationists was the high drop-out rate in secondary schools.

He said any affirmative action policy could not be absolutely colour-blind but had to take into account not only the racial composition of the most disadvantaged but the demographic realities in a region.

'Go public' plea ^{Star} on Govt plans for affirmative action

■ OWN CORRESPONDENT

Durban — An appeal to the Government to "go public" with its affirmative action plans has been made by 11 public servants' organisations.

There is deep concern among the organisations' members over impending changes and the creation of 11 000 new posts.

The new posts have drawn two million applications and are expected to be filled largely from the black population.

The public service organisations are concerned that the need for affirmative action — which they accept does exist — should not overrule all other considerations, such as merit.

And they are anxious to ensure that blacks, coloureds and Indians already in the service should be given preference for appointment to senior affirmative action posts. (176)

They say such appointments would not reduce the number of additional posts — the 11 000 have been advertised — available to those groups who have been disadvantaged

in the past.

"If more senior posts are given to existing black, coloured and Indian members, it merely creates more vacancies at lower levels," said the general manager of the Public Service Association, Cas van Rensburg.

He felt the Government should take the civil service into its confidence and implement affirmative action with the co-operation of employees' organisations.

"The Government must take the public servants along with them in the process," he said. "This has not been done."

Standards

Van Rensburg said employees' organisations believed affirmative action need not lead to a drop in public service standards. 26/7/94

He said there was sufficient talent both inside and outside the public service to ensure this.

Van Rensburg said the processing of the two million applications that had been received for the 11 000 civil service posts would be a mammoth task and would take some months.



DON WIGGILL

Affirmative action 'doesn't do the job'

By ZILLA FRAT

317194

Shivers (Buss)

THE most effective way to create employment equity is by managing diversity and not through affirmative action, says a position paper by Anglo American's Central Training Unit (CTU).

CTU equity manager Don Wiggill says: "Creating multicultural organisations is not our challenge. SA organisations have always been multicultural."

But this diversity has been stratified: black operators, female clerical staff, Afrikaner artisans, white male English-speaking managers.

"The challenge is to develop strategies and processes for transforming organisational cultures which have fostered this

stratification."

Mr Wiggill warns companies against getting into a "recruitment game", based on political, moral or social arguments.

It results in companies chasing the same small pool of qualified people who continually accept new and better offers but never feel that they belong in an organisation.

Rather than recruiting "women and blacks", they should look at transforming their cultures so that they retain their staff.

"It is no use recruiting and promoting people into non-traditional roles unless you change the organisation's culture," says Mr Wiggill.

Vital questions are whether organisations are inclusive of diversity or require people to "leave their culture and individuality at the doorstep".

Mr Wiggill says managing diversity is concerned with recruitment that achieves a staff mix geared towards flexibility, creativity and loyalty. It transcends affirmative action and multiculturalism. Affirmative action is an interim step towards for ad-

dressing past injustices and seeing it as an end in itself is "short-sighted".

According to the position paper, affirmative action as a tool for achieving equity has a flawed track record.

Studies of Malaysia, Sri Lanka, India and the US highlight mixed successes and failures. These have included:

- a compromise of the democratic ideal of individual rights in the name of special group privileges;
- heightened ethnic and religious conflicts;
- benefiting only an elite within the targeted recipient groups;
- limited or no focus on the issues of disability, age and gender.

Getting a grip on affirmative gap

Star 30/8/94

(176)

AMID all the controversy regarding affirmative action, an agency that specialises in such placements has settled into this market. MAUREEN ISAACSON spoke to its founders.



GETTING IN ON THE ACT: Ruth Underwood (left) and Lisa Garson of Active Appointments have filled a vital affirmative action niche in the employment market.

DEBATES on affirmative action be damned. Gripes about equal opportunity and reverse discrimination have no place in the neat, organised Braamfontein offices of Active Appointments.

It took only two months of research for Lisa Garson (35) and Ruth Underwood (35) to crack a concept that, in six months, has exceeded their expectations.

First, there was the gap in the development sector for a service such as theirs. Second, the two have a vast collection of skills in the development sectors and non-governmental organisations that include management and co-ordination of education projects and human resources.

The fruits of this combination are already paying their overheads, their own salaries and padding a reserve fund that should enable them to employ a third staff member soon.

"Historically, people in the development sector haven't used placement agencies, or when they have, they found that people do not understand their needs," they say.

No longer will those on the books of Garson and Underwood contribute to the "empty desk syndrome" that once swept the US and more recently, according to them, some of our banks and multinational companies.

This, say Garson and Underwood, is "cosmetic" job placement where people are employed where there is no job for them or where they have been set up to fail.

What happens, they say, "is that people are given the title and salary but not the responsibility to make decisions or for their skills to be accessed. People have not thought through how to implement affirmative action. They often pre-

“ We have to bear in mind that a lot of people are sitting in jobs they may not have had if there had been no discrimination. ”

sume that simply employing a black person for the situation resolves the matter."

This is where the expertise of Action Appointments comes into play. "We make sure of their skills and ensure they are placed in positions where they develop in their own careers."

All of this is done ac-

ording to a strict plan. A job description is a priority. At least two follow-up interviews with employee and line supervisor ensure that difficulties are smoothed out within the three-month guarantee period. The first interview is held within the first two weeks.

"Where people do not have human resources

structures in place, we help set up systems and ensure there is some kind of induction process.

"We are very upfront about affirmative action. We believe it is not something people should pussy-foot around.

"If we're going to have meaningful change and a growing economy, the people who have been threa-

tened need not worry. They will always have an edge in a growing economy. Nobody is going to throw out whites and put black people in their places. But we have to bear in mind that a lot of people are sitting in jobs they may not have had if there been no discrimination. People will have to prove themselves."

NEWS FEATURE Affirmative action means 'blacks must get off their backsides'

Beyond manning the front office

WINDOW

DRESSING Fair

deal for women:

By Joe Mdhlela

THE CONCEPTS of black economic empowerment and affirmative action run the risk of being undermined if they mean turning blacks into office niggers, according to leading black businessmen and opinion makers.

Among the major problems facing affirmative action is big business's lack of commitment in imparting skills to those they promote to senior executive positions.

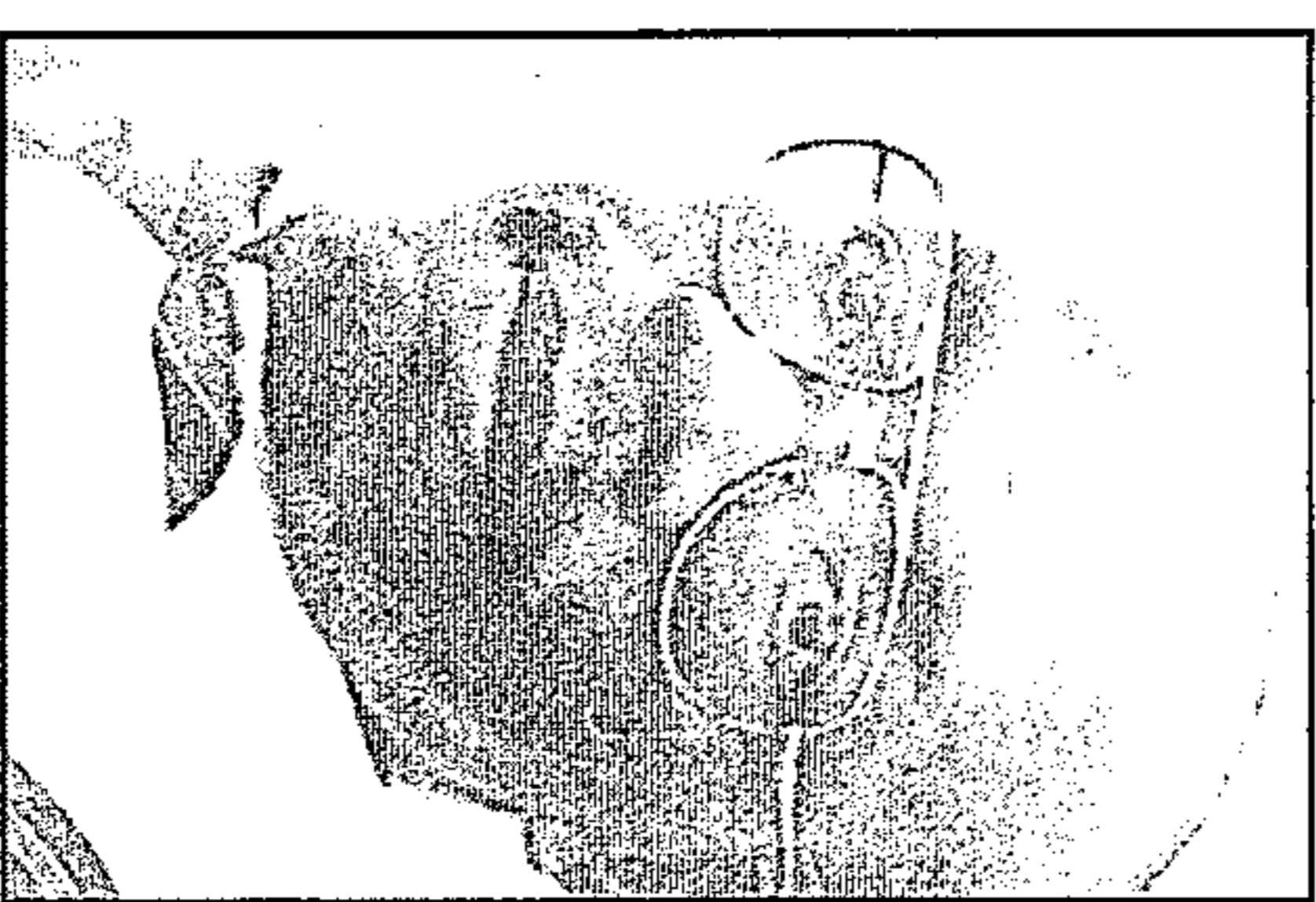
The result is that products of affirmative action feel inadequate because of a failure to perform.

Yet everyday the world is bombarded by information from the media extolling the virtues of black economic empowerment and black upward mobility.

Astute businessman and chairman of various companies Dr Nhato Motlana appears to encapsulate it well when he cautions that blacks must "get off their backsides" and do something meaningful for themselves in the corporate world.

Blacks have to create wealth

Motlana warns that "blacks have to create wealth", and not wait for help from white people as if they are awaiting



Mr Thami Mazwai



(176)

salvation from heaven.

He maintains that the dependency syndrome is fatal for any nation wanting to assert itself.

Motlana lives what he preaches. He is involved in the economic mainstream and has made a number of significant acquisitions.

The former Soweto political activist and medical practitioner who has defied odds appreciates the problems facing emerging black entrepreneurs.

"Unfortunately banks insist on certain criteria which blacks cannot meet. Banks should make it easier for blacks to access loans," he says.

Doomed to failure

Enterprise editor Mr Thami Mazwai argues that unless the tax base is increased, the Reconstruction and Development Programme may be doomed to failure.

Mazwai suggests that the tax base can be broadened by turning a majority of black people into taxpayers.

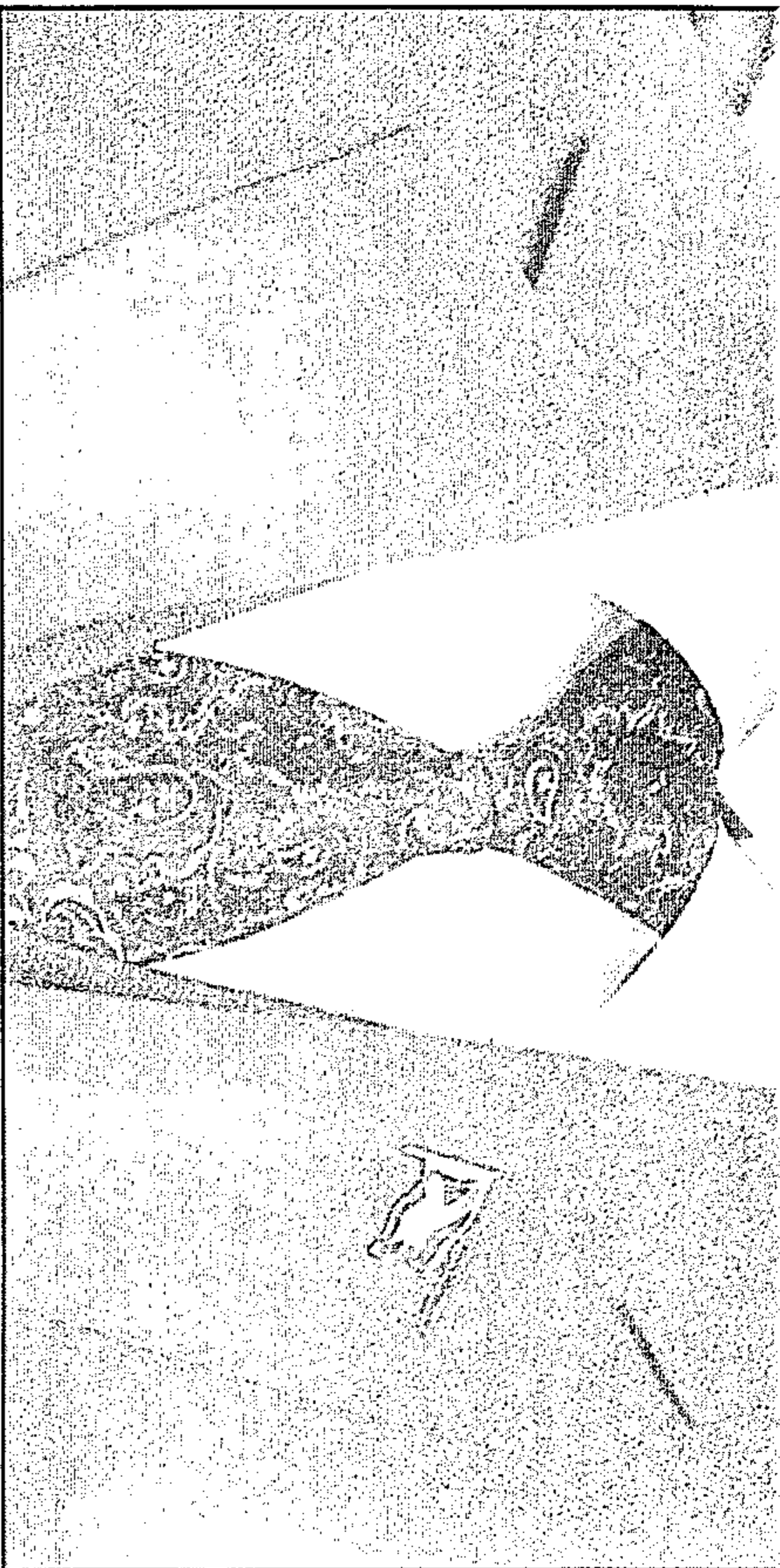
Anything short of this will undermine the Government's RDP.

The benefits of an enlarged tax base will manifest itself in increased consumption.

Mazwai emphasised the importance of the manufacturing sector as a creator of jobs and wealth.

The challenge facing South Africa is not only about restructuring the economy, but about about growing the economy four to five times its current size.

The argument is that if South Africa is to grow at this rate, wealth will be created resulting in a higher standard of



Dr Nthato Mottlana

living.

This argument emphasises the need for forging a solid partnership between Government, the private sector and workers.

"If people are expecting handouts they may as well forget about uplifting themselves. Black economic empowerment means that people must roll up their sleeves. They need to initiate projects and give themselves economic muscle," says an observer.

Public works programmes initiated by the Government must be aimed at creating useful public assets such as

clinics, hospitals, roads and schools.

By their very nature, the programmes are labour intensive and will therefore create sustainable jobs.

Mazwai says affirmative action and black economic empowerment must take women into account.

Fair deal for women

If need be, he says, laws should be enacted to ensure that women get a fair deal as important stakeholders in the economy.

Even union leaders seem to agree. Like Mazwai, they say affirmative

action should extend beyond menfolk, but they add that it should also ensure that black women enjoy a big bite of the slice.

National Sorghum Breweries chairman and chief executive officer Mr Mohale Mahanyele says black economic empowerment is "the key to a democratic post-apartheid South Africa".

"Business on its own will not seriously address issues of affirmative action unless legislation forces them to provide opportunities to those long denied economic freedom."

Dr Nthato Mottlana appears to encapsulate it well when he cautions that blacks must "get off their backsides" and do something meaningful for themselves in the corporate world



Mr Mohale Mahanyele

As far as Mahanyele is concerned Government intervention is necessary to "kick-start" the process of black economic empowerment, a view that is also espoused by Mazwai and other business leaders.

The most curious comment came from an observer who suggested that black executives who have been given "white secretaries" should ask them one question: "Am I part of the managerial core, or just a front office nigger?"

● Watch NNTV at 9pm tonight for an insightful programme on black economic empowerment.

This space was made possible by the support of the Positive Development News Initiative, which seeks to document a unique development model that is evolving in South Africa where people from all walks of life — Business, Labour, Grassroots, Democratic Structures, Development Agencies and Communities themselves — are coming together in focused alliances, to play a powerful role in reconstruction and reconciliation to build a common future that will provide the foundation of a peaceful and prosperous inclusive society in this wonderful land of ours.

Core founders of this initiative are:

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More Than Just TV

CEOs 'must take charge of affirmative action'

Bidney 4/18/94

THE implementation of affirmative action strategies should be handled by CEOs and not human resources departments, Black Management Forum organisational transformation consultant Mpho Makwana said.

Following a briefing of the forum's corporate members, Makwana said at the weekend that CEOs would ensure companies adopted a formal policy on the issue.

"The importance of this approach ensures that affirmative action is not seen to be a domain of the human resources department, but an issue on which the company must have a formal policy," Makwana said.

Affirmative action needed to be an integral part of the strategic business plan of an organisation. Every executive director heading a division, such as finance, operations, marketing and manufacturing, must also be held accountable for implementation.

"Line managers should not only be evaluated for promotion according to the manner in which they had developed people in their departments, but the amount of money spent on people development and the number of people appointed every year to management and senior management positions should also come out clearly in companies' annual reports."

Makwana said corporate membership of the forum had increased from 55 companies in 1992

THEO RAWANA

to 99 this year.

Although some companies were joining to gain "political insurance", others were genuinely committed to affirmative action.

Makwana said the forum impressed on the companies that the adoption of affirmative action programmes would benefit the economy, which had lagged behind due to the advancement of employees on the grounds of race.

The forum was giving "progressive company awards" to those "in tune with the aspirations and values of the wider SA community", Makwana said.

To achieve the award an organisation would have to exhibit the existence of an affirmative action policy and programme, employee development programmes and projects, employee participation in decision-making structures, equity or profit participation by employees and sound industrial relations.

It should also have blacks in management and decision-making roles, on the board of directors, low labour turnover and should participate in a programme of national reconstruction which would include education, skills development, housing and health.

Tough jobs at top for blacks

By FRED ROFFEY

BLACKS are increasingly operating in tough business areas where hard decisions have to be made, a report from the Graduate School of Business (GSB) indicates.

The latest survey of the Breakwater Monitor, the GSB's national human resources database, questions the traditional assumption that blacks, coloureds and Indians hold "soft jobs" in companies, say project coordinators Angus Bowmaker-Falconer and Peter Searll.

Sitones C Metro
"Reporting companies, who collectively employ 688 169 employees, report that 55 percent of all black, coloured and Indian managers are in the general management, finance and engineering functions," they say.

21/8/94
"The sales, marketing and public relations functions were ranked 8, 9 and 10 out of 11 functions in terms of the number of black, coloured and Indians managers represented."

Reports are produced biennially based on data received from 105 member companies.

The latest findings show that women are greatly under-represented at management and supervisory levels.

Men comprise 93,2 percent of managers and women 6,8 percent, while at supervisory level the figures are 80 percent and 20 percent respectively. *(17b)*

A breakdown of figures from organisations regarding their training typology (as a percentage of total training expenditure) shows: technical/skills upgrade, 39,26 percent; management, 21 percent; operations, 4,92 percent; literacy, 4,14 percent; other, 30,68 percent.

The average training expenditure per employee in the latest survey is R1 319, while training and development expenditure as a percentage of remuneration is 2,18 percent.

JEREMY Woods is on leave. His column, OUT OF THE WOODS, will resume on his return

176 WM(BM) 29/7-4/8/94

Affirmative action for NGOs

Reg Rumney talked to the founders of a new recruitment agency specialising in affirmative action for NGOs

By concentrating on affirmative action for non-governmental organisations and development organisations a new recruitment agency has carved itself a unique niche.

The carefully targeted two-woman, sorry, two-person business, operating out of — where else? — Braamfontein, started in March this year with a small commercial loan.

According to Lisa Garson and Ruth Underwood, Action Appointments already is paying its way, and inquiries are coming in fast enough to point to a profitable future. Growth in inquiries has been dramatic, and they are now actively looking to place around 10 people.

Both have worked for the past 10 years in the development world, and bring experience in the field as well as contacts to the business.

They have both been involved in recruiting, support services, and organisational development.

Unlike other recruitment agencies, Action Appointments makes no bones about its focus on finding people who are not white and often not male to fill posts.

Garson says they are upfront about their affirmative action role. "We believe affirmative action is incredibly positive if handled properly and sensitively. We don't feel we want to hide it."

Garson says she has found the commercial world to be more coy about affirmative action than NGOs.

The agency is moving into affirmative action recruitments for the commercial world, but started off in the NGO sector because this is an area they know and where they saw a niche.

Underwood comments that NGOs have tended not to use recruitment agencies, but she and Garson are familiar with the world of NGOs and are finely attuned to their needs.

Included in the placement fee is a support service, but they offer organisational development support, if needed, for the people they place, at an additional fee. They will set up monitoring and performance appraisal systems in NGOs too.

Isn't the NGO sector contracting as donor funds dry up? Garson reckons there is no way the new government can take over the responsibilities and tasks of all existing NGOs. Rather, she considers, funding will be directed through the government to NGOs instead of directly, and NGOs will be contracted to work for the government.

Underwood adds that while some are disappearing, others, such as those involved in land reform, are expanding and working on aspects of the Reconstruction and Development Programme. At the same time NGOs are losing staff to government.

They define affirmative action to include any disadvantaged group, including women and the disabled. The agency has placed many skilled black women, they say.

Generally, the demand from NGOs is for black (ie not white) appointments rather than specifically African. The

agency will also place whites in jobs. "We don't turn applicants away on the basis of race."

The placement depends on the brief from the client. If the job is highly specialised, or the skills requirement high with no on-the-job training offered, there may be no choice but to employ a white applicant.

What next? The two new entrants into the business world plan to grow slowly but surely and watch their cash flow. By next year they may even employ a new staffer — an affirmative action appointment, naturally.



Staffing skills ... Lisa Garson and Ruth Underwood

PHOTO: THEMBA HADEBE

Young executive, no commitments, R10 000 to invest. Prepared to accept a higher risk profile, in return for peak performance.



One of the country's top jockeys. Earns excellent money now, but may not have a long racing career.

Clinical psychologist. Needs to protect the R50 000 she inherited from her aunt against inflation.



Teacher, middle-aged, three small children. Able to put away R200 a month towards their tertiary education.



Recently retired accountant, no dependants. Wants to diversify assets to spread market risk and to supplement his pension.



Widowed housewife. Needs regular income to maintain her standard of living, and capital growth to set up a trust for her children.

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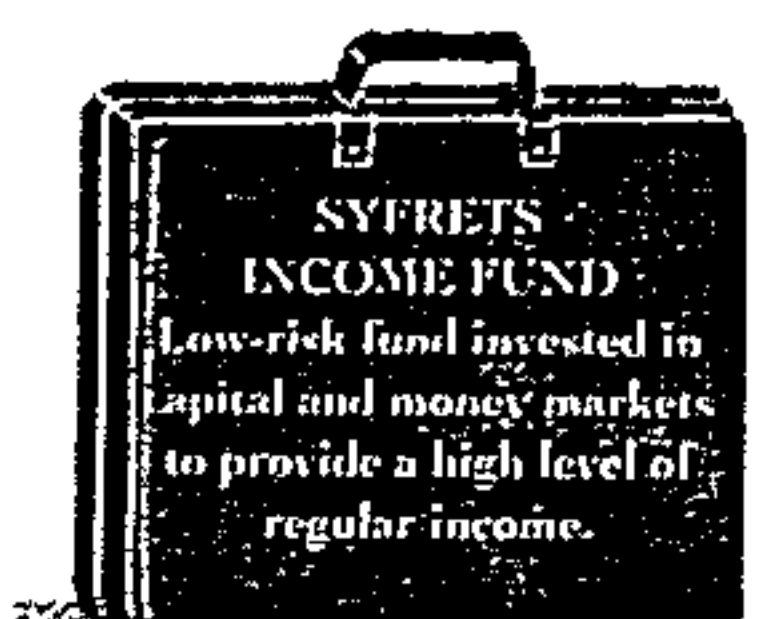
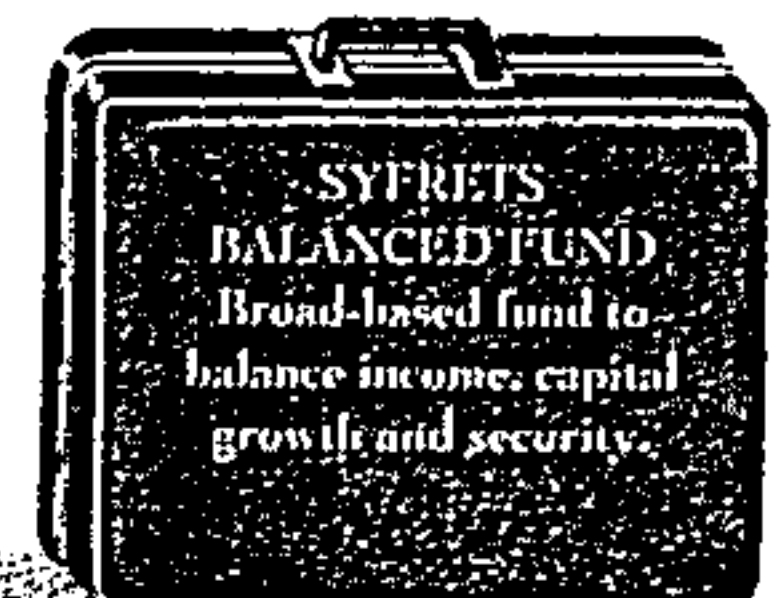
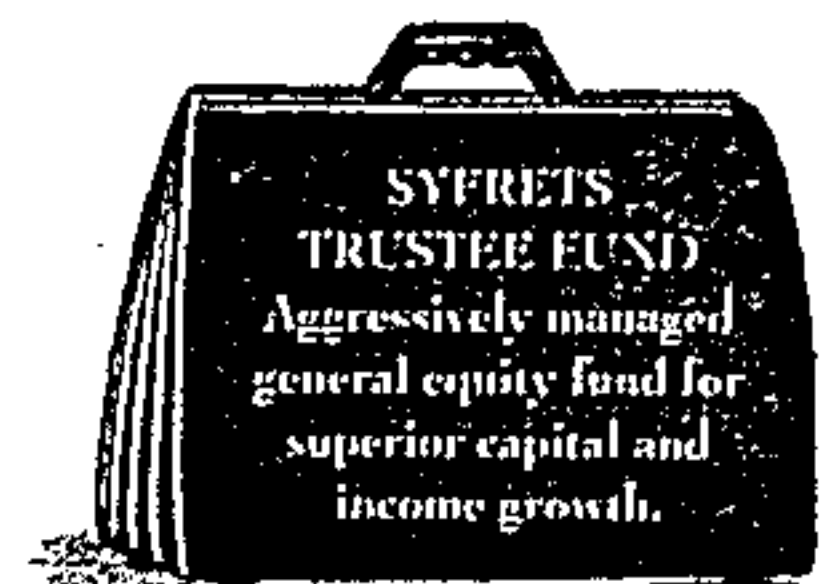
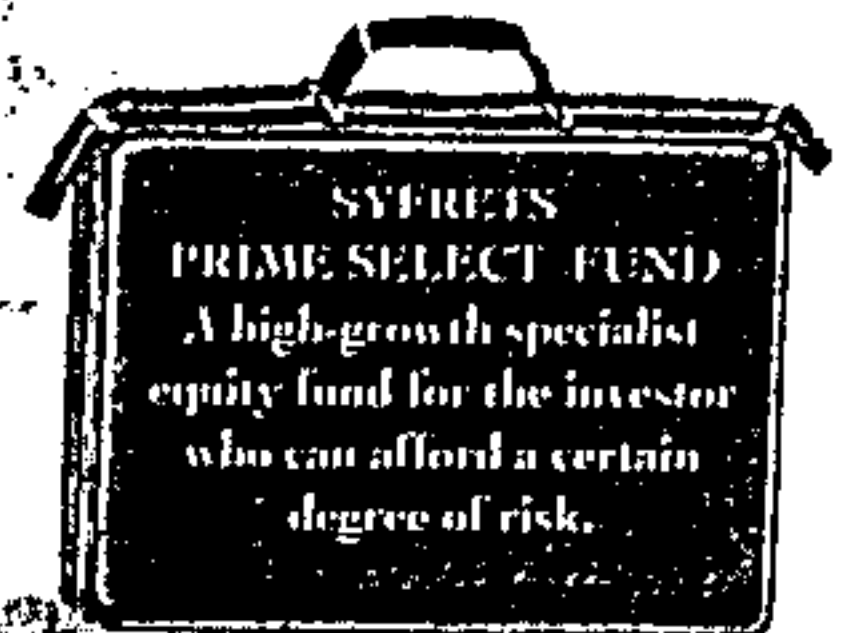
But what all these investors have in common is that a unit trust could be the ideal way for them to invest - if they choose one that's suited to their needs.

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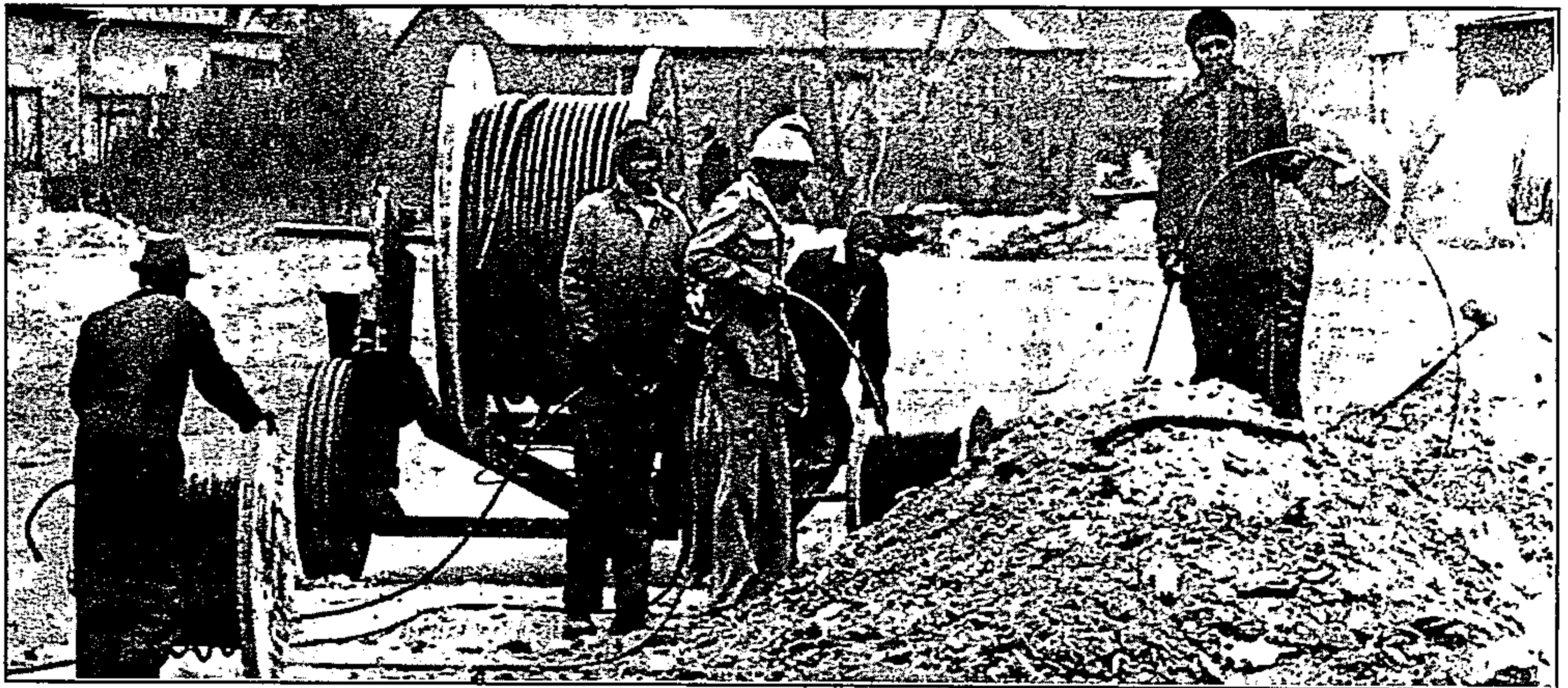


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NEWS FEATURE Harmonising Eskom's relationship with the community is not easy



Electrification process in the black townships will form part of the Reconstruction and Development Programme.

Dawn Mokhobo's balancing act

■ VIGOROUS

Eskom takes a giant leap into the future:

By Joe Mdhlela

HARMONISING ESKOM, hitherto a white-dominated electricity giant, will not be without pains.

But it is a task that will have to be pursued with vigour and determination as the process is in line with political changes sweeping the country.

The transformation process at Eskom started when Mrs Dawn Mokhobo joined the company about three years ago.

Mokhobo, a social worker by training, was appointed senior manager of human resources and charged with the implementation of the company's "social harmonisation programme".

She was recruited from Anglo-American Corporation where she held a senior management position.

Speaking about her early years as a social worker, Mokhobo says she soon got frustrated when her skills just "went to waste". She says she had to deal with unreasonable magistrates who would not accept her intervention as a social practitioner.

"The magistrates were ignorant and prejudiced and did not take into account any of our recommendations," she says.

Working as a probation social worker had its problems. She says often magistrates did not realise there was something wrong with a system that produced wayward children.

"I often got depressed when magistrates disregarded our advice. Despite



Dawn Mokhobo

our suggestions, teenagers would often be sent to jail," she says.

Talking about affirmative action, Mokhobo says the programme is not meant to kick whites out of their jobs. She says it has more to do with ensuring that blacks, who have been disadvantaged because of apartheid, are considered for senior positions in the workplace.

Readjust their minds

Mokhobo says it is impossible to transplant affirmative action within a hostile environment. Hence her involvement in holding workshops, mentally preparing people to readjust their minds to the emerging political scenario.

She says it is important that while changing the culture within the organisation, differences in people's culture must be recognised.

The affirmation that South Africa is a diverse society, with 11 languages, must be seriously thought through, if affirmative action is to run its full course.

Also, Mokhobo asserts that gender issues have to be addressed if affirmative action is to be implemented in its entirety.



Bongani Khumalo

"Eskom has a responsibility to harmonise itself, and relate itself with the community," she says.

Often Mokhobo senses hostility, but that does not bother her as she is able to understand anger and deal with it constructively.

"I always act by challenging those who display hostility towards me. If I allowed myself to adapt to this environment, I would start experiencing levels of stress that would paralyse me," she says.

Her other responsibilities are to run workshops and identify problem areas, including the areas manifesting themselves in resistance to change.

Preparation for business transformation requires new perspectives and appreciation of the new dynamics brought about by political change.

A personnel executive at Eskom, Mr Bongani Khumalo, confirms what Mokhobo says about changing the attitudes of the workforce, especially whites.

"Black people have to change the world view of their white counterparts," Khumalo says.

Khumalo says the workforce will have to deal with stereotypes, the misconception about people across the colour line.

He says the process the country is going through is "a painful one", with some people more ready than others to

accept the changes and challenges facing the nation.

"People have the will to work together, even though one must accept that this will not be without pain," says Khumalo.

The electrification process currently taking place in black townships and the rural areas is central to the Reconstruction Development Programme.

"Through this process we are trying to build a strong economy that will be a basis for stability," he says.

Clearly, Khumalo's exposition is consistent with Mokhobo's argument that for the RDP to be fully realised the corporation has a role to play.

"Therefore, repositioning Eskom to support the new society and the RDP is crucial to the wellbeing of our economy," she says.

As a parting shot, Mokhobo showered praises on President Nelson Mandela and his RDP.

"I am really excited about Mandela and his process of reconstructing South Africa," she says.

● For more on Mokhobo, watch NNTV at 9pm tonight.



Ongoing training to improve skills at Eskom continues.

Top boss has Std 7

TWO Free State officials, one with Std 7 and his deputy with Std 9, were in charge of an office with 452 staff members and a budget of R28,4 million, the Minister of Public Service and Administration, Dr Zola Skweyiya, disclosed yesterday.

Dr Skweyiya said the head of the sub-directorate of Provincial Inspectorate Services did not comply with the current requirements for the position — a Junior Certificate and two

years' actual service at the level of "control provincial inspector".

However, at the time of his appointment he had satisfied the requirements then in place, Dr Skweyiya said in reply to a question tabled in Parliament by Professor Dirk du Toit (ANC).

Dr Skweyiya declined to make a statement on the matter, or on his department's policy on affirmative action. (176) CT 30/8/94

NEWS FEATURE How to persuade traditional enemies to work together towards a better SA

Plagued by racial polarisation

AFFIRMATIVE

ACTION Right

more, wrong result:

By Joshua Raboroko

WITH the new South Africa having dawned, people should be careful not to allow themselves to believe that racial polarisation will no longer be an issue.

This is the view of Mr Ian Fuhr, a consultant at Labour Link, writing in *People Dynamics*, official publication of the Institute of Personnel Management.

Despite the goodwill witnessed during the elections, white fears and black expectations are still very real, he says.

Affirmative action is still viewed by many white managers as reverse discrimination and retribution against whites.

As a result of affirmative action, he says, "the white workforce at a company in Britain has boycotted open canteen facilities and chosen to eat lunch at home..."

In another example of racial polarisation, Fuhr says, a middle manager at a large industrial corporation, when asked how many people he had in his division, replied: "Twenty-five people and 200 blacks."

Least productive

Fuhr says: "A mining company sent its Zulu workers on two months' paid leave in order to avoid potential violence during the election build-up..."

"... and people wonder why South Africa is one of the least productive countries among the emerging nations!"

The reason is clear: the workforces are made up of traditional enemies and are plagued by endemic racial polarisation, Fuhr says. The human resources challenge



Some white employees at certain companies are boycotting open canteen facilities and are having their lunch at home.

in South Africa is not merely about affirmative action and managing diversity. It is about managing polarisation.

Despite the euphoria, goodwill and tolerance displayed during the elections, the new nation has inherited an ingrained legacy of racial prejudice that still lies buried in the hearts and minds of many people, Fuhr contends. Market-related economies throughout the world are characterised by the inherent conflict of interests between management and labour.

"In this country, however, the conflict is intensified by the abiding racial tension.

"We are no longer merely dealing with a management-labour conflict, it has become a 'white management and black labour' encounter, which further complicates industrial relations and necessitates a re-evaluation of the skills required by South African managers."

Fuhr says a manager recently told co-workers that one of his black colleagues "still ate with his hands" at management lunches. This he found totally unacceptable.

When asked if it affected the performance of the black manager, he replied: "It seems he would have preferred to 'normalise' the black manager so that he behaved in a more

(1716)

'civilised' manner."

"It was no wonder that the black manager resigned shortly thereafter out of deep sense of alienation and frustration," says Fuhr. Today blatant racism is severely disciplined in most larger organisations but many white middle managers and supervisors

have learnt the art of subtle racism. The workforce dare not submit to

the sensitivities of those whites who are trapped in the past and refuse to accept the changing face of the working environment. They have a simple choice: either change or go. There is no third option, Fuhr says.

Shifting emphasis

In the changing South Africa managers have to first look at themselves and acknowledge: "If there is a problem in my department then I am the problem," thus shifting the emphasis from the inefficiencies of black labour to the inefficiencies of white management.

Fuhr contends that these are true causes of polarisation and until people acknowledge them, they will continue to misunderstand why people behave and perform the way they do.

He suggests: allow people to openly discuss problems; be wary of shared values; challenge whites to concede that they are unconscious victims of apartheid; remind people that they were not born racist; impress upon managers that they are facing unique challenges.

The challenge South Africa now faces is not only "how do we accept and respect our differences but how do we create a productive workforce out of traditional enemies".

Managers should seize the opportunity to commit themselves to meaningful change and re-evaluate the stereotypes and assumptions that may have unwittingly led them into the polarisation trap, Fuhr contends.

IDT A number of companies feel the pain of late implementation of affirmative action



As Nampak's relationship with trade unions improve, such strike action has been lessened.

Nampak uplifts black staff

By Joe Mdhlela

■ NARROW INTERESTS *The*

"Opening of avenues would be easier":

THE WORKERS' STRUGGLE, often fierce and bitter, has contributed to changes in the work place and the implementation of affirmative action to correct the legacy of apartheid.

That is the general pattern that has also been greatly felt by Nampak, especially its glass division, Metal Box Glass in Roodekop near Kallahong.

However, the changes, as was to be expected, are bringing with them a lot of uncertainty and anxiety. White workers are fearful that they may be marginalised as this black tide inexorably reaches its crescendo.

The ANC's Mohammed Valli Moosa, says the trend by business to open avenues and scope for blacks would have been less painful had the business world taken a lead in the process of democratisation.

However, due to narrow interests, and the fear to castigate the Nationalist Party's apartheid policies, business is now paying a heavy price.

He says at the time of repression, when the apartheid government imposed a number of draconian measures, including the state of emergency, business leaders spoke in whispers as they feared to upset the status quo.

"Business was backwards and unenlightened at the time, displaying narrow concerns about itself. They were reluctant to take a firm stand against apartheid and the architects of this policy, the Nationalist Party," he says.

Despite the unbridled talk, business more than ever before now realises, as

Nampak does, that its survival is dependent on sharing their "business cake" with its most important assets, the workers.

Deputy chairman of Nampak Mr Peter Campbell concedes that to become a "world class player", it is critical that the company develops its human resources potential to the full, especially that of blacks who have had little training over the years.

"We have to place a lot of emphasis on developing our people," he says.

Production leader, Mr Meshack Nkosi, feels that the past policies of the company which excluded black workers from decision-making processes were wrong and unjustified.

"I am now happy that we are stakeholders in our company and because of that, workers are likely to be more motivated, and therefore efficient as they contribute to productivity," he says.

That the workers are now made to feel they own the machine they operate, contributes to the high productivity realised by the company.

But Nkosi is also mindful that the change of heart by the bosses did not just happen by itself, it had to be forced onto them by circumstances.

"The changes happening in our company are the results of political changes taking place in our country. Without these changes this company would have become history.

"In the past we used to come to this

company as non-thinkers, always being kicked on our buttocks by our bosses. I am happy to say that this has now changed. We are now made to feel as part of the company," he says.

The company's human resources director, Mr Velaphi Ratshefola, is also confident about the future, and sees the changes as being initiated by "the process of democratisation."

He argues that the process involved "winning over the hearts of the workers" to buy into company policy, a procedure he is prepared to defend because he feels it is founded on a sound basis.

"All we were doing was trying to make business legitimate, as our company was conflict-ridden," he says.

The company is using affirmative action to level the playing field, in that way giving those who were denied opportunities to progress in their work stations.

As wrongs of the past are corrected, new racial tensions develop as a section of the white work force feels its livelihood threatened.

Mrs Jackie Botha, a shop steward at the company, says: "White employees feel insecure... they feel as though roles have been switched, with blacks going to dominate them."

However, Ratshefola response is blunt: "White skills cannot fulfil the needs of this country.

"We need to train more blacks, and even use affirmative action to correct the imbalances brought about by apart-



Mohammed Valli Moosa charges big business of having kept quite at the height of the apartheid era.

"The programme deliberately enhances a number of black managers at a supervisory, middle and senior management and executive levels," says Cumming.

To support the development, the company offers bursaries in order to produce graduates, apprentices, technicians and managers.

Coupled with that, the company offers literacy programmes to their unlettered workers.

This, says Cumming, they do with the agreement of trade unions and management.

Certainly, the changes in the workplace are a reflection of the total change happening in the country.

Operations director Mr Ken Royds put things in their perspective, "Our factory is a microcosm of what is happening in the country."

By this Royds was saying that the political changes must impact, and permeate through all sectors of life, including social activities and in the economy.

"What we are doing does not only reflect our social responsibility, but it also makes good business sense," he says.

There is still of lot of ground to cover, but Nampak is proud of its track record and the commitment to upgrade all its people, especially blacks.

Currently, 63 percent of the company's managers, are black (those in the Paterson D level and above).

This, says Cumming, represents 10 percent managerial strength. In addition, the company employs 12 senior managers, those in the E Paterson grading.

NNTV tonight at 9 presents another angle to this story.

Affirmative action legislation mooted

Biday 14/9/94

MICHAEL MOON/

GOVERNMENT might be forced to pass legislation on affirmative action if companies did not take advantage of the opportunity being offered them to remove discriminatory practices, PWV premier Tokyo Sexwale said in Sandton yesterday.

The ANC would prefer negotiation on the issue, but if negotiation did not take place, government might be compelled to act to remove inequalities in opportunity from the economy and workplace, he told an ANC affirmative action seminar for business leaders.

"When we come to the point where we have to act, remember we offered an option — not a difficult option and one that is in line with negotiations. If that doesn't work, you will understand our actions."

Sexwale said it was essential that certain things in the country were changed to meet the aspirations of the majority and ensure stability. Without stability, there was the danger of a "second revolution" — with a new leadership that would promise to remedy the continuing lack of rights and opportunities for disadvantaged people.

Affirmative action was often seen as encouraging conflict, but the ANC saw it as affirming nonracialism. Contrary to white fears, the ANC was committed to opening doors of human development, not closing them, he said.

Quotas should never be the critical means of redressing injustices but they could play an important part in the short term if they were participatory, well targeted and balanced the needs of the major-

ity with the availability of relevant skills among the minority, said Sexwale.

He added that it was no longer acceptable for companies to lock so-called black management into menial and supervisory roles.

PWV finance and economics minister Jabu Moleketi said laws on affirmative action should be the final product of a process of consultation with all interested parties.

Such laws need not necessarily be punitive, he said.

It was necessary to develop an "aggressive lobby" on the issue in order to try to reach consensus, said Moleketi.

"Without consensus, laws will not carry the day," he said.

He believed it was inevitable that at some point legislation and intervention would be needed.

However, such intervention should not be purely on the part of the state, and the private sector and civil society should also be involved, said Moleketi.

Positive and negative sanctions were among the tools which could be used to ensure acceptable affirmative action was taken, but this should not be a strategy in itself, he said.

The imposition of quotas for the employment of certain types of workers was not necessarily a bad thing if used as part of an overall strategy. However, if the whole process was driven by a quota system it ran the risk of undermining itself, he said.

'Blackening SA civil service too expensive'

Political Staff

THE Public Service Association last night warned the government that a sudden retrenchment of thousands of white public servants would cost the state billions of rands.

CT 13/9/94
Radical elements in the ANC want the state to speedily blacken the

public service. Reports say it would cost R100 million to retrench 70 departmental directors-general in South Africa and the former homelands. (176) (253)

PSA manager Mr Casper van Rensburg said the state would have to make up the ensuing pension fund shortfall.

Parastatals targeted for affirmative action change

Star 22/9/94

■ OWN CORRESPONDENT

Cape Town — Transnet, Eskom and Denel are among parastatals targeted for affirmative action restructuring.

Public Enterprises Minister Stella Sigcau told the National Assembly that restructuring would provide "maximum stimulus" to the economy while redressing past inequities.

She said Eskom's goals for the next five years were:

■ Ensuring half of all its management, professional and advisory staff were black South Africans by the year 2000.

■ Cutting the electricity price by 15 percent, to become the world's cheapest supplier of electricity.

■ Electrifying another 1,75 million homes.

■ Enabling all Eskom employees to own a home.

Arms manufacturer Denel had said its three-year goals were:

■ Doubling exports and foreign exchange earnings to R1 300-million.

■ Ensuring 30 percent of management came from "under-represented" groups, including women.

■ Training programmes for technicians and computer programmers were among its other goals.

The parastatals are Aléxkor, Aventura, Denel, Eskom, Safcol and Transnet. Their combined assets are valued at billions of rands.

(176)

JOHANNESBURG. — Some 200 management positions in commercial and industrial property are to be filled by black people in what is believed to be one of the largest single affirmative action initiatives yet seen in SA business.

The drive to recruit black managers for a sector that has traditionally been the stamping ground of white entrepreneurs and managers is being carried out by the SA Property Owners Association (Sapoa), the representative body of the commercial and industrial property industry.

Sapoa members have already indicated that they have over 40 key positions to be filled immediately by black management recruits. Sapoa president Colin Steyn said yesterday.

The positions available are for, among others, architects, quantity surveyors, project managers and co-ordinators, building inspectors and managers, civil engineers, town planners, property brokers and adminis-

Sapoa widens (176) CT 26/9/94 affirmative plan

trators, valuers, draughting technicians, and development managers.

"While the Sapoa affirmative action initiative will clearly help to correct the imbalance in management ranks in the commercial and industrial property sector, we are not looking for a quick fix for demographic inequality — it goes much further than that," Steyn said.

"The ultimate objective of the far-reaching exercise is to prevent potential management shortages."

Sapoa's education manager Julia Laubscher said the only pre-requisites were that applicants should clearly show management potential and must be black South Africans.

Enquiries to Julia Laubscher, Sapoa, P O Box 78544, Sandton, 2146. — Sapa

Blow to affirmative action in W Cape parliament

By Alexandra Zavis

AFFIRMATIVE action was dealt a blow in the provincial legislature last week.

The accounts and finance standing committee voted against an amendment to the Tender Board Bill that would have included affirmative action as a consideration when awarding tenders.

"That the other parties are not committed to genuinely redressing things is shown by the fact that they voted out an amendment that was proposed in all the submissions received by the committee,

both oral and written," said Ms Tasneem Essop, ANC deputy chief whip in the provincial legislature.

The Tender Board Bill has been changed quite substantially by the submissions since its first readings, but on affirmative action the members deadlocked.

When the three ANC members pushed the issue to a vote, the amendment was rejected by the one Democratic Party and five National Party members.

Mr Arnold de Jager (NP), chairperson of the committee, said a reference to the aims of the Recon-

struction and Development Programme was included in the bill, and affirmative action formed part of the RDP.

He added: "We only voted on that part of the bill. On everything else, we were unanimous."

Mr Hennie Bester, the DP's representative on the committee, said affirmative action was just one of the aims of the RDP.

"I wanted a broader, stronger provision and argued it would be narrowing the clause down to refer to one aim of the RDP," he said.

But Essop argued the commitment to affirmative action should be

explicit, not implicit.

"One of the aims of the bill is to change the old tendering system, which mostly favoured large, white owned companies, to a system that favours small and medium sized companies.

"We specifically wanted affirmative action in the bill, because without it it is possible to favour small and medium sized companies without reaching women, rural, disabled and black people."

If the other parties supported affirmative action, why couldn't they spell out that commitment, Essop asked.



TASNEEM ESSOP

Affirmative action targets

AMANDA VERMEULEN

THE Black Management Forum says the seven-year deadline for companies to implement the recommended affirmative action guidelines is "absolutely achievable".

In a recent article by SPA consultant Camilla Watson in People Dynamics, the official title of the Institute of Personnel Management, the forum was quoted as saying that by the year 2000, business would have to ensure that blacks comprised 30% of non-executive directors, 20% of executive directors and 30% of senior management.

In lower management structures, blacks would comprise 40% of middle management, 50% of junior management, 70% of supervisors and 80% of trainees, she said.

Watson said while the targets did not seem unreasonable, seven years was a short time in which to achieve these requirements, particularly at senior management levels.

She acknowledged there was still much uncertainty about how to implement

successful affirmative action strategies.

One option in implementation of such strategies was to introduce a reward system, a useful tool which could contribute to the success of affirmative action programmes.

The reward system in place in an organisation would have to reflect the affirmative action process.

"Failure to do so will cause the process to lose its impact, creating the perception of lip-service."

Top management would have to make a firm commitment to the process, while the CEO must also be seen to champion affirmative action. Line managers would also have to be accountable for the development of the company's human resources.

Once goals had been set to promote the advancement of blacks and women, the line managers would have to be evaluated in terms of their performance in the same way they would be measured against the

achievement of operating results.

A significant proportion of line management's bonuses could be linked to their ability to deliver results, but this structure should also apply to top management. (176)

Watson said it was important to ensure that the achievement of specific targets did not form the only basis of evaluation.

Short- to medium-term criteria also needed to be considered.

A number of other criteria could be linked to reward schemes, including the degree of commitment to affirmative action by a particular department, promotion of blacks and women into key positions and the involvement in community or social investment programmes.

Sustaining affirmative action

BIDA
AMANDA VERMEULEN

ENSURING sustainability of affirmative action in SA organisations in a climate of political uncertainty, violence and economic recession is a challenge to local businesses.

In a report on affirmative action by SPA consultant Camilla Watson in a recent issue of *People Dynamics*, 35 companies which had taken part in Watson's research said there were difficulties in sustaining an affirmative action programme.

The major obstacle organisations faced was the natural tension between the requirements of reducing staff numbers and the objective of changing the racial profile of the workplace.

Further restraints had been put on affirmative action programmes as a result of the economic downturn.

An executive said such programmes often had little chance of success when SA business was measured in financial terms. "SA organisations need to develop a clear vision of the future and ensure investment in people is a major objective."

Watson said it was important that companies were measured not only by their ability to deliver returns to shareholders, but by results in people development. While successful companies in Europe and Japan invested between 5% and 10% of annual payroll in developing people, SA

companies spent only 0,5% to 1%.

Many organisations appeared tempted to adopt a wait-and-see attitude towards affirmative action. However, Watson believed it was imperative to understand that time, costs, bottom-line results, employee loyalty and maintenance of standards would have no meaning or credibility if businesses were brought to a standstill by political pressure or imposition of quotas. *20/10/94*

If organisations did not begin to identify and develop blacks now, the shortage of competent black managers would take on "catastrophic" proportions, she said. *(176)*

Obstacles to the process could not be denied or easily removed, but continued emphasis on staff development and the pursuit of an entrenched affirmative action policy would ensure progress.

Organisations should see affirmative action strategy as an integral part of the company's overall business plan. Top management's commitment to the development, implementation and progress of the process was non-negotiable.

In addition, senior management needed to involve line management, employees and unions in the initial development of the strategy, which had to be holistic, fully

integrated and focused on the long term. Management would have to review the programme regularly to ensure it was meeting goals set by the company and its employees.

Also critical to the whole process was that the programme was in line with the company's culture and was a continuing process, not a one-off project.

Watson said companies needed to create a learning environment to facilitate affirmative action initiatives. "Management and supervisors should play an active role in on-the-job coaching of staff and be rewarded for developing people."

Also important in a country with high levels of illiteracy was an emphasis on adult basic education for employees who had little formal education.

Watson said communicating the process was important to set clear performance standards. Managers and affirmative action candidates needed frequent feedback sessions.

If formal channels of communication were established, problems could be resolved before they had a chance to interfere with the programme.

It was also important to pay attention to whites' people management skills. "They need to be reassured about their value in organisations. Open forums for discussion of fears should be encouraged."

Demand grows for blacks in top public service jobs

The Argus Correspondent

PRETORIA. — There are growing demands — and increasing pressure on Minister of Public Service and Administration Zola Skweyiya — for greater black representation in the senior ranks of the public service.

Public servants will be listening with keen interest when he makes his budget speech tomorrow as the clamour increases for more top public servants to be black and for the wage gap between black and white employees to be closed.

Unions in the public sector, among them the Trade Union of South African Authorities (Tusaa), said yesterday they fully supported calls by the Congress of South African Trade Unions (Cosatu) and its affiliate Na-

tional Education, Health and Allied Workers Union (Nehawu) to have the wage gap narrowed and pave the way for black officials to be placed in senior posts.

Tusaa general-secretary Nakedi Mogale said the wage gap between black and white workers should be narrowed within a phased period of two years.

Unlike public services in other countries, the highest paying grades in South Africa were dominated by whites, while blacks earned less, he said.

Mr Mogale said the disparity reflected the consistent social under-valuation of black workers and the over-valuation of whites. He said Tusaa was concerned

about the control of the public service by whites.

Mr Mogale said an estimated 85 percent of all positions in the public service at management level were occupied by white males.

"We are saying the top positions currently held by whites should be changed as the government's affirmative action plans are implemented," Mr Mogale said. He warned the government not to trust those public servants in top positions to implement the programme.

Mr Mogale argued that blacks should become the majority of officials in the public sector, as this would be representative of the demographic nature of South African society. Public service and administration

Mr Smit said that whereas the narrowing of the wage gap was subject to negotiations in the Public Service Bargaining Council, Dr Skweyiya was expected tomorrow to address certain of the issues.

Casper van Rensburg of the Public Service Association (PSA) said a process needed to be set up whereby the public sector could over time become broadly representative of the people of South Africa.

He warned, however, that the process need not make certain sections of the existing structures feel guilty simply because of the colour of their skins.

Spokesman Corrie Smit said yesterday that Dr Skweyiya would address some of these issues during his budget speech tomorrow.

1765 RAR 26/10/94

(c) As far as I am concerned, no political parties were represented on this trip—The composition of the delegation was not based on political affiliation or any political consideration. Rather, the individuals were strictly drawn into the delegation (in my prerogative as Minister of Public Works) on the basis of their role, either in the Department of Public Works or the National Public Works Programme Task Team—This equally applies to Mr Chikane, whom I requested to join my delegation in his capacity as Chairman of the Select Committee on Public Works, as well as the crucial role that he plays to ensure the successful implementation of the NPWP.

(2) I did not directly hold any consultations with the Select Committee—This was largely due to my hectic schedule in the Ministry. However, I did request the Chairman of the Select Committee, Mr Chikane, to raise this visit with the committee. I am aware that this was done in the presence of my two Special Advisers, Mr Siphiso Shezi and Mr Sivi Gounden, as well as my Director-General, Mr Theovan Robbroeck. It is as a result of this consultation that the Select Committee decided to appoint one of its members to serve as acting-chairperson in the absence of Mr Chikane, due to his two-weeks visit in the USA.

Abolition of Latin for advocates

*24. Mr D J DALLING asked the Minister of Justice:

Whether he intends introducing legislation providing for the abolition of Latin as a compulsory course for candidates seeking admission as advocates; if not, why not; if so, when will such legislation be introduced? N568E

The MINISTER OF JUSTICE:

Yes, the Admission of Advocates Amendment Bill, 1994, was tabled in Parliament on 25 October 1994.

Television licence accounts/reminders

*25. Mr K M ANDREW asked the Minister for Posts, Telecommunications and Broadcasting:

(1) Whether the SABC sends television licence accounts and reminders only to persons who are known to possess television sets; if so, what are the relevant

details; if not, (a) why not and (b) to whom are such accounts and reminders sent;

(2) whether he or the SABC intends taking any action in regard to the sending of accounts to persons who do or may not owe any money; if not, why not; if so, what action;

(3) whether any steps have been or are being taken against non-licenceholders who fail to respond to such accounts or reminders; if not, what is the position in this regard; if so, what steps? N569E

The MINISTER FOR POSTS, TELECOMMUNICATIONS AND BROADCASTING:

(1) The SABC is under no obligation to send out licence renewal statements at all, but approximately 3,8 million television licence renewal statements are sent out namely to—

—2,3 million previous licence payers
—1,5 million were sent out to potential television owners

this year to help the public in obtaining their television licences without having to fill in various forms.

A business reply envelope was enclosed so that clients or others could inform the SABC of their situation concerning television sets and/or update the accuracy of their personal particulars on the SABC data base.

(2) Against the background of the large pirate viewership problem the SABC is compelled to take appropriate actions, to approach all potential television owners—through correspondence or visits by inspectors. When correspondence is used households are afforded the opportunity to notify the SABC that they do not possess a television set.

If no reply is received, it is assumed the relevant household may be a potential pirate viewer and this results in further follow-up actions being taken.

Also see answer 1.

(3) The SABC is serious in its intention to curtail pirate viewing and action is taken against non payers. The Corporation follows its own credit control actions (e.g. appropriate reminder letters at different stages) and has 7 debt collection agents

operating on its behalf over and above the inspectorate action (including commission earning inspectors).

When anyone who is liable for a licence fails to renew or pay the licence on time, that is before the commencement of the relevant licence year, penalties fall due. Penalties are raised at 10% of the licence fees for every month that payments are late. However, if a person has indicated the monthly instalment payment option, penalties are raised at 100% of the monthly instalment of R19,00. (The 1994/95 licence fee amounts to R189,00 if a single payment is made in time, but will amount to R228,00 if monthly instalments are paid).

Over and above the above-mentioned penalty, a fine of R2 000 and/or imprisonment for 6 months can be imposed together with the confiscation of the television set by the State.

Since the introduction of new credit control actions during 1993/94 approximately 13 023 pirate viewers were summonsed to appear in court and 11 263 television sets were sealed by the inspectors, and an additional amount of approximately R32 million has been collected via the range of credit control actions.

The SABC would like to take this opportunity to ask all political parties to be of assistance on combating pirate viewership by promoting the payment of television licence fees and breaking down the non-payment psychosis attitude.

Affirmative action in department

*26. Mr J A JORDAAN asked the Minister of Education:

(1) Whether a policy of affirmative action is being applied in his (a) office and (b) Department; if not, why not; if so, (i) what are the details of this policy and (ii) what progress had been made in implementing this policy as at the latest specified date for which information is available;

(2) whether a policy of "the best person for the job" was followed prior to the implementation of the said policy of affirmative action; if not, what is the position in this regard; if so,

(3) whether the policy of affirmative action is to supersede the previous policy; if not, how are the two policies involved to be reconciled; if so, why? N571E

The MINISTER OF EDUCATION:

(1) The policy regarding appointments to positions in the Ministry and Department of Education, as in all Ministries and Departments, is governed by Chapter 13, and in particular, Section 212 of the Constitution, as well as the provisions of Chapter 3, and in particular Section 8, of the Constitution, the details of which are no doubt familiar to Mr Jordaan. The progress made in implementing this policy in my Ministry is very satisfactory. As far as the new Department of Education is concerned, the situation is as follows. The Public Service Commission has approved the new structure of the department and will shortly be advertising the first substantial batch of vacancies. The provisions of the Constitution will be strictly applied in dealing with applications.

(2) The second part of the question applies to the policies of the previous regime, for which I have no responsibility.

(3) The provisions of the Constitution with respect to appointments to the public service emphatically supersede the policies of the previous regime. For the first time in this country the government is obliged to ensure that criteria of equity, representivity, and non-discrimination are given equal weight with criteria of qualifications, merit, efficiency and suitability in respect of the Ministry and Department of Education, I shall ensure that the provisions of the Constitution are scrupulously observed.

For written reply:

Transkei: Local Government Transition Act

158. Mr G O DOIDGE asked the Minister for Provincial Affairs and Constitutional Development:

(1) Whether any steps have been taken in respect of the implementation of the Local Government Transition Act, 1993 (Act No 209 of 1993), in regard to the area formerly known as Transkei; if not, (a) why not and (b) what action is envisaged in this regard; if so,

SA affirmative (176) 'inaction' slated

ET 11/11/94

By MAGGIE ROWLEY
Deputy Business Editor

THERE was a general and dangerous perception that corporate South Africa was holding the country to ransom with inaction on affirmative action being the order of the day, Don Mkhwanazi, management consultant and former president of the Black Management Forum, said yesterday.

Addressing a conference on implementing affirmative action and the RDP in the built environment being hosted by the South African Black Technical and Allied Careers Organisation in Cape Town yesterday, Mkhwanazi said it was an indictment against business in general that the country was still expected to address topics such as affirmative action and black advancement.

It was his firm belief that the reason so many conferences were being held on affirmative action was another ploy by corporate SA, which was well known for "its indecision, short-term horizon and perfection of lip service" to do nothing but encourage "talk-shops".

"I really believe that corporate SA has totally misread the President's call for reconciliation and his determined and noble effort to inspire investor confidence and attract foreign investment.

"These efforts by Mandela have been read as a licence to do nothing. It is business as usual, slashing of affirmative action programmes has become the order of the day, and business has resorted to its ivory towers and shells of complacency."

Mkhwanazi said there was a

'Country held to ransom'

general belief which was fast gaining ground and being entrenched in the minds of the ordinary majority that the interests of business were being elevated to a status above the interests, needs and aspirations of ordinary people.

"There is a general belief among black workers, black professionals, the black intelligentsia and within the ANC parliamentary caucus that the business community is holding the country at ransom and the new GNU hostage in the name of investor confidence and attracting foreign investment which we don't see."

"While captains of industry have verbally committed themselves to the RDP we don't see any visible proof or action on the ground."

It was however encouraging to see ministers were already implementing affirmative action steps that would result in the involvement of black people and black contractors in the mainstream of the economy.

"It is my hope that the construction industry is going to prove us wrong and show visible and practical support for affirmative action, black economic empowerment and total commitment to the RDP."

Mkhwanazi said affirmative action was deeply misunderstood by certain sectors and was seen by its detractors as meaning reverse discrimination and lowering of standards.

"This is far from the truth. Affirmative action is not an end in itself but a means and a process towards the desired end — namely black economic empowerment which is the control and ownership of the productive capacities of our country — namely labour, management and entrepreneurs, capital and land. It is . . . equal opportunity. It should be a deliberate attempt to enhance the ability and capacity the disadvantaged to participate and compete on an equal footing with those who have benefited immensely from white entrenched advantage."

Affirmative action, he said, was not just about putting black people in management. It also encompassed broader issues including worker empowerment.

"We are not talking about small business or the informal sector. There is this notion among big business that big business is for whites and small business and the informal sector are for blacks.

"I am not knocking either small business or medium enterprises as these are the engines of growth. I am talking about meaningful participation in the mainstream of the economy.

"Black economic empowerment will only occur when there is economic parity among all South Africans, where success is determined by individual effort and not artificial or man-made barriers."

Affirmative action a priority

Govt plans shake-up of public service

BiDay 10/11/94

CAPE TOWN — Government yesterday released details of a radical restructuring plan for the 1,2-million-strong public service over the next five years.

A priority would be the implementation of affirmative action programmes to make the public service more representative.

Government found it unacceptable that about 40% of public servants were white and that the top management consisted overwhelmingly of white men.

The Public Service Commission would "embark upon extensive recruiting drives focusing on candidates from disadvantaged communities".

Details of the plan were released in the parliamentary public service select committee yesterday in the form of a discussion document, with an invitation to all stakeholders to comment.

While the plan did not include any reference to cutbacks in the number of public servants, details of an austerity drive announced recently indicated that 200 000, or 17%, of state employees would be trimmed over the next five years.

Paseka Ncholo, adviser to Public Service Minister Zola Skweyiya, said government hoped to release a Green Paper, with comments, in the first quarter of next year. He said a White Paper was planned for the middle of the year.

The plan draws heavily on government's

DAVID GREYBE

reconstruction and development programme. But, first, the public service had to undergo a "major transformation" or it would not succeed in the pivotal role planned for it in the implementation of the RDP and transformation of society. The "administrative infrastructure of apartheid colonialism" had to be dismantled.

The document focused on:

- An analysis of the current situation by identifying problems;
- Provision of a "mission statement on democratisation";
- Training, retraining, and;
- Broad policy objectives and "capacity building".

However, it warned that its capacity to deliver the goods was limited. "Expectations of the rewards which democracy would bring are high and greatly exceed the capacity of the economy to deliver."

The document identifies the "authoritarian, highly rigid and inflexible" management styles inherited from the apartheid era as a serious problem. Public servants were more concerned with adhering to regulations than with productivity.

As a result, there were no management information systems to promote efficient monitoring and revisions of programmes, "especially those aligned with the objec-

To Page 2

Agency to monitor companies

Affirmative action law is drafted

BIDay 15/11/94

A DRAFT Equal Opportunities Bill detailing compulsory affirmative action policies for companies employing more than 20 people has been completed by a panel of experts and sent to the Cabinet for consideration.

A Justice Department spokesman said the Bill, which envisaged a statutory affirmative action agency to monitor companies' performances, would be debated before being tabled in Parliament.

According to the Bill, companies that fail to abide by the statute's provisions will be committing a criminal offence and will be liable for a fine of up to R100 000 and/or two years in prison.

Employers will be given three months from the passage of the statute to submit an initial public report to the agency giving statistical information concerning affirmative action appointments and an outline of their processes. These will be supplemented by confidential reports giving detailed analyses, if necessary.

Employers will be expected to give a commitment to "employ, develop and promote qualified members of disadvantaged groups into positions previously not open to them". Wage inequities and informal conditions will have to be revised to ensure uniform conditions pertain to all workers, and employers will need to "create a work environment and culture that will be open to persons of diverse backgrounds".

ERICA JANKOWITZ

Companies will be expected to provide educational and development assistance to incumbent employees so they qualify for better jobs, and revise qualifications and selection criteria which discriminate against blacks and women. (176)

"The plan shall include practices which will accommodate an increasingly diverse workforce, by consideration of programmes such as flexitime, accommodations for child-rearing, parental and compassionate leave, which take account of different cultural traditions," the Bill's schedule states.

Employers will submit forward estimates of the number of affirmative action positions they will fill within specified time frames and will have to confer responsibility for the development, implementation and continuous review of the programme on a person with "sufficient authority and status".

Employers will have to consult all employees and trade unions whose members will be affected by the programme.

Information detailing affirmative action appointments will be forwarded to the agency. It will be headed by a director in the public prosecutor's office and appointed by the President. His functions will be largely to offer advice, issue guidelines and monitor the effectiveness of pro-

To Page 2

Affirmative action

BIDay

From Page 1

grammes in achieving the Bill's goals.

He will also issue regulations, adopt policies, investigate complaints and initiate legal proceedings against employers who fail to submit the required information "or otherwise fail to abide by the requirements of this statute". (176)

An affirmative action programme must be designed to ensure that:

"Appropriate action is taken to eliminate discrimination by the relevant employer against members of disadvantaged groups in relation to employment matters;" and 15/11/94

"Measures are taken by the relevant

employer to promote equal opportunity for members of disadvantaged groups in relation to employment matters."

It defines disadvantaged groups as blacks - including Africans, coloureds, Indians "and other persons previously classified as non-white", women and "the physically impaired".

Employment matters are deemed to include: the recruitment procedure and selection criteria for appointing or engaging employees; promotion and transfer of employees; training and staff development; and employees' conditions of service.

Row over bill prevents vote

By CHRIS BATEMAN

HEATED debate over the exclusion of an affirmative action provision in the new "transparent" local Tender Board Bill ended without a vote in the Western Cape legislature yesterday.

The proposed new law, accepted unanimously as a "great improvement" on the old one, creates wider representation on the tender board, greater transparency in advertising and is aimed at promoting small and medium business.

It was referred back to the Standing Committee on Finance by the ANC who objected to the lack of community consultation and who forced hearings involving at least 14 business groupings from "disadvantaged" communities.

Affirmative action plan 'needed'

Mr Cameron Dugmore (ANC) questioned whether the DP and NP vote against the affirmative action clause was not "made easier" by standing committees having been closed to the public at that stage.

He said the Tender Board could become an invaluable upliftment tool.

Transport Minister Mr Leonard Ramatlakane said if the NP voted against the affirmative action amendment in the House it

CT 29/11/94 (176) (2/9)
would be a clear signal that they intended clinging to power and continuing to marginalise the disenfranchised communities.

Finance Minister Mr Kobus Meiring said the bill gave preference to local suppliers of goods and services within the framework of the RDP.

One of the most important new innovations of the bill is the wider advertising of contracts in the media replacing sole publication in the Government Gazette.

The bill also provides for the publication of a Provincial Tender Bulletin which will be widely distributed and is intended to put a stop to automatic extension of contracts for holders after three years.

Contract holders will in future have to re-apply alongside new competing bids.

The debate continues this morning.

ANC affirmative action bid law

By CHRIS BATEMAN

AN ANC bid to include an affirmative action clause in the new Western Cape Tender Board Bill failed yesterday after two days of heated debate — and the legislation was finally accepted.

Speaking shortly before the 26-12 vote on retaining the bill without the affirmative action amendment, Economic Affairs Minister

Mr. Chris Nissen said his party was not "just talking about bringing people in and kicking others out".

"We're talking about rural people and those within existing (government) structures — hard-working, qualified people who should be given opportunities they didn't get before."

Although he agreed with finance committee chairman Mr.

Arnold de Jager that there was "no short cut to experience", disadvantaged people did have the qualifications and experience to fill important positions.

In contrast to the old State Tender Board Bill, the new local bill stipulates wide advertising of tenders, the publication of a widely distributed Provincial Tender Bulletin and puts a stop to auto-

matic extension of contracts after three years. **(The)** Mr. Hernus Kriel said affirmative action should be implemented in a "balanced, orderly way".

Although he accepted there was not enough "representativity" in his administration and that changes should take place, the constitution also protected the rights of existing officials.

entry into Dorbyl," a dealer said.
● Dorbyl was recommended as the Sharespot choice yesterday.

ZURICH:
382.50/385.50
— Reuter



BREAKFAST CLUB .. Sharing some thoughts with Cape Times/Seeff Executive Breakfast Club keynote speaker Gill Marcus were, from left, Seeff residential MD Samuel Seeff, group MD Errol Finkelstein and Cape Times executive editor Gordon Kling. Picture: ARI JACOBSON

By ARI JACOBSON

AFFIRMATIVE action programmes may have to become law, said chairperson of Parliament's standing committee on Finance, Gill Marcus, at the Cape Times/Seeff Breakfast Club meeting yesterday.

Marcus, explaining that she was voicing her own opinion, said this would help integrate those previously excluded from the formal economy. But she was well aware that "legislating affirmative action is similar to the problems encountered with taxation — people will try to avoid it or merely introduce minimum requirements.

"The ideal is for a natural process, whereby people realise that affirmative action is an opportunity and not a problem."

On a lighter note, in the closing address, Seeff group MD Errol Finkelstein wondered whether there would be an affirmative action programme "for white males".

Marcus, in her keynote address, pointed to the wasteful performance of the "previous regime". Dubbing the former government's reign as "Alice in Plunderland", she said the modus operandi had been akin to the Mad Hatter's tea party.

"Everyone is talking about maintaining financial controls — if we had to do that, based on the previous government's approach, we would be in real trouble."

Marcus pointed out that the state's asset register was about "8% up to date — it is quite possible the state,

Focus on affirmative action plans

at present, could buy land it already owned".

Other instances of poor controls included public audits in the "self governing" territories, which were last done in 1987.

"There is the need to work backwards to sort out this mess."

She said the strength of central government would come from financial efficiency at local level, where the delivery of social goods would have to take place.

Marcus called for a new era of "belt-tightening" and openness, which would include attracting public opinion on legislation being debated in Parliament.

"Even the government Budget should not be a secret process to be pulled out of a box at Budget time."

She conceded that certain introductions in the Budget could not be revealed before Budget day "as this would lead to speculation in financial markets.

"However the basic Budget should be open to all," she said.

In conclusion, Marcus forecast: "Everyone that left the country will soon be dying to come back".

(176)

CT 23/11/94

Why affirmative action programmes fail

MISTRUST and suspicion between the races had to be eliminated if the new generation of leadership which SA needed was to become a reality, Telkom chairman Dikgang Moseneke said in Pretoria yesterday.

Moseneke spoke at the launch of Unisa's African Management Programme, designed to complement affirmative action programmes and curtail SA's critical shortage of managers. It has an initial R525 000 backing by Oude Meester brandy.

He said it had become imperative to empower the

Ed Day
THEO RAWANA

black community economically. It was time for a new generation of leadership. 22/11/94

Moseneke said the problems were severe but not insurmountable. "The biggest problems confronting us today are connected with affirmative action programmes."

Three reasons why such programmes had met with limited success were: window dressing, a lack of commitment and a lack of training and mentoring, he said.

"No affirmative action programme will ever succeed if support structures, networks and mentors are not provided, and if those previously disadvantaged do not undergo the necessary training programmes."

Moseneke, who is head of the new Unisa African Management Programme's programme advisory board, said the scheme had been designed as a one-year certificate course, but it was the mentorship component that gave it great value. (170)

"This will ensure that not only formal education, but an understanding of practical economic and business processes, will equip the students to contribute constructively in the economic process."

import duties on textiles could generate 62 000 additional jobs.

Hunger strikers

THE ANC management committee would meet secretary-general Cyril Ramaphosa today to discuss the plight of 16 political prisoners who were on their 16th day of a hunger strike at Leeuwkop prison, the Correctional Services Department said yesterday.

ANC spokesman Jackson Mthembu said his organisation was concerned about the plight of the hunger strikers and that their release was long overdue.

REPORTS: Business Day Reporters, Political Staff, Sapa.

Rainbow dismisses illegal strikers

8 Day 22/11/94
DURBAN — Rainbow Chicken yesterday dismissed an undisclosed number of employees at its Hammarsdale plant in KwaZulu/Natal after a week of sporadic illegal strikes.

On Friday the company gave strikers an ultimatum to return to work by yesterday.

Rainbow said the Food and Allied Workers' Union had accepted a 10% across-the-board pay rise offer and the setting of a minimum wage reached through arbitration, but employees at various plants and farms

had then embarked on illegal strikes.

Rainbow spokesman Steve Pattinson said strikers had intimidated employees who wanted to work and stoned vehicles entering and leaving the plant. Water pipelines had also been sabotaged.

The situation had become almost uncontrollable at Hammarsdale and Rainbow was urgently seeking relief in the Supreme Court. A court ruling on the matter was expected today.

A meeting between Rainbow and the union was scheduled for last night. — Sapa.

Call to speed up tractor tariffs probe

TRACTOR dealers have called on the Board on Tariffs and Trade to speed up its probe into the feasibility of lifting import tariffs on tractors.

Scrapping the tariff would have the effect of creating jobs in the agricultural machinery industry and boosting sales, SA Agricultural Machinery Association manager Jim Rankin said yesterday.

However, Atlantis Diesel Engines (ADE), which manufactures the power units for locally assembled tractors, has cautioned removal of all protection barriers would lead to a proliferation in models, resulting in an escalation in parts prices and a drop in service standards.

Rankin accused the board of not making any progress in its investiga-

8 Day
LOUISE COOK

tion in the past five months.

He said the board announced the investigation into protection levels for locally made engines in a Government Gazette. Since then, the SA Agricultural Machinery Association had made detailed representations on its opposition to protection for ADE three- and four-cylinder engines.

Rankin said the import tariff of 40% on six-cylinder engines was lifted earlier this year and sales immediately "went through the roof".

John Deere engineering chief Leon Pretorius said farmers were currently paying between 8% and 15% more than necessary for tractors.

ADE spokesman Johan Kellerman said no effective protection remained

in respect of three- and six-cylinder engines. "There is only partial protection on four-cylinder tractor engines and the way the protection formula works, it is on a decreasing scale as tractor prices increase."

Kellerman expected all protection to cease between 1996 and 1997.

He denied that tractor prices dropped 10% as a result of the lifting of tariffs. "This may be due to an introductory pricing strategy by tractor manufacturers to overcome resistance to the new engines."

Sales increases were due more to labour problems and farmers wanting to buy more productive tractors.

Currently, tractors are imported from China, Poland, Hungary and Rumania. *(172) 22/11/94*

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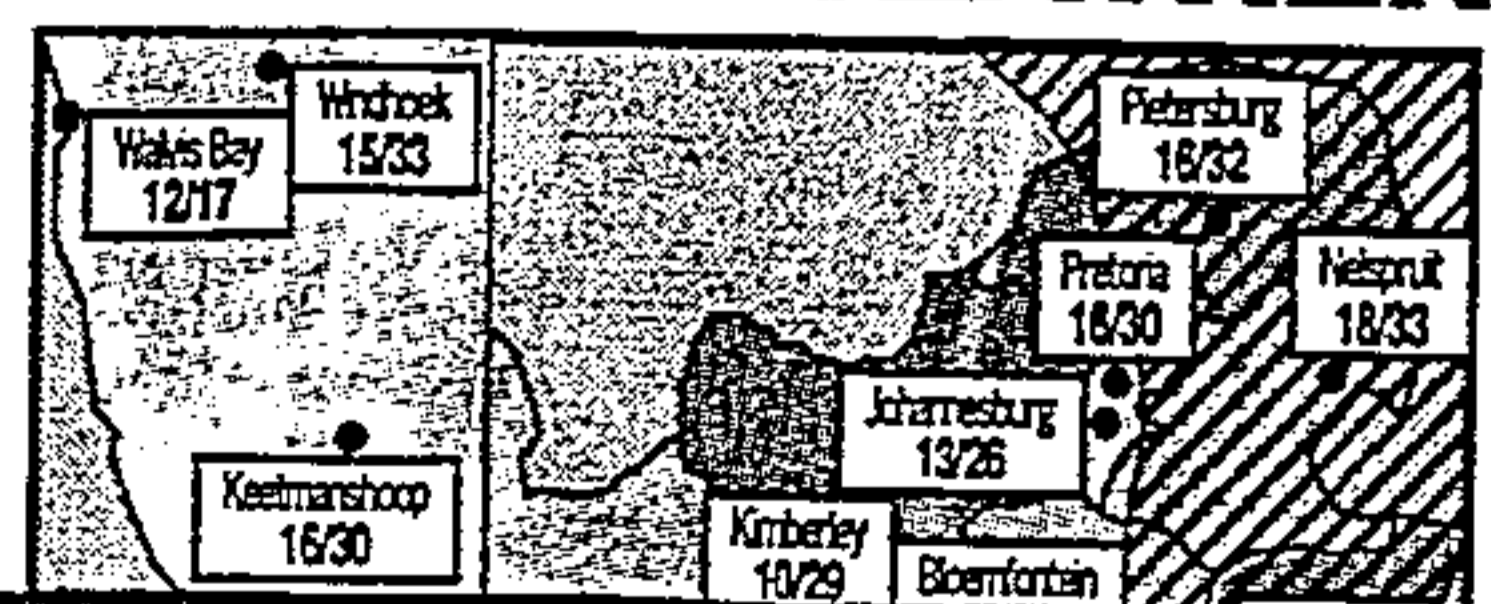
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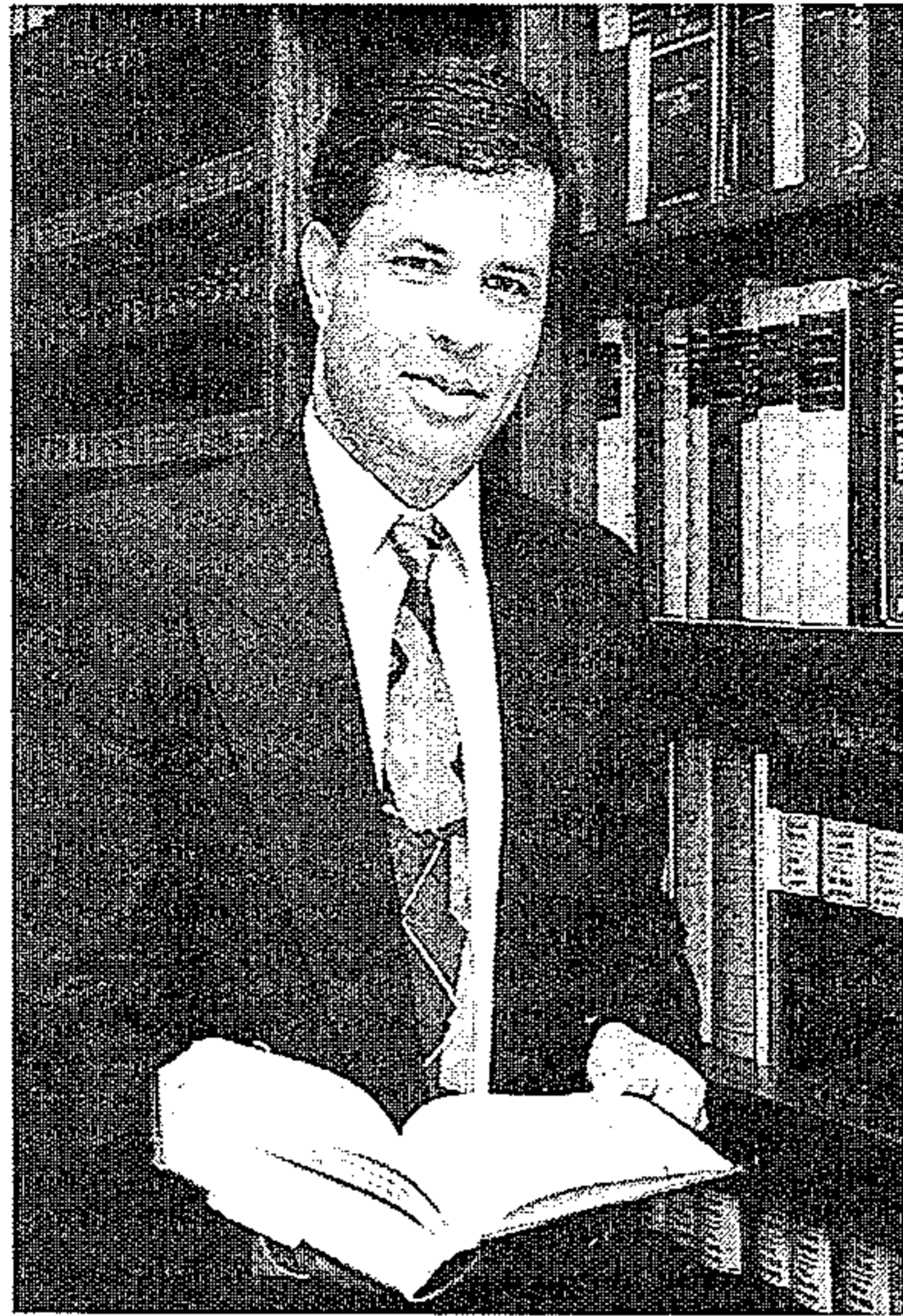
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TODAY'S WEATHER





IN CHAMBERS . . . Cape Town's first black "silk", Mr Mohamed Anwar Albertus. Picture: ANNE LAING

Black lawyer gets his 'silk'

CT 19/11/94 (176)
Supreme Court Reporter

CAPE TOWN's first black "silk" Mr Mohamed Anwar Albertus, 43, said yesterday the conferment represented not only a personal achievement in his professional career but also an important milestone for his family and the many predominantly black lawyers who worked with and supported him.

The Minister of Justice announced yesterday that Mr Albertus and fellow advocate Mr Keith Engers had attained senior counsel status.

"With the interim constitution, the dawn of democracy in our country and the many problems afflicting it, there is a greater demand for highly skilled lawyers to participate in the legal system with a view to contributing towards a culture of fairness and justice," Mr Albertus said.

He obtained his BA and LL B at UWC, was admitted as an attorney in 1981 and was admitted as a member of the Cape Bar in 1984.

Mr Engers, 45, graduated with a B Bus Sc degree at UCT in 1971 and obtained LL Bs at UCT in 1973 and Cambridge in 1976. He has practised at the Cape Bar since 1976.

Between 1986 and 1989 he was treasurer and assistant secretary of the Cape Bar Council, secretary and a member of the Bar Council.

Public service

B/Day 10/11/94 From Page 1

tives of the RDP".

Similarly, employees were held accountable on the basis of adherence to rules as opposed to efficiency and effectiveness. "Much decision-making was in secret and Parliament was often bypassed, for instance in passing subsidiary legislation."

Another problem was the unacceptably high wage gap in the public service. Ncholo said it was so high "it cannot be justified in any democratic society".

There was also the problem of "budgetary rigidity", which locked resources into inappropriate programmes, while procedural rigidity made restructuring "a lengthy process".

The guidelines for a public service "mission statement" are based on the RDP. They include democratisation; race and gender representativeness; accountability and transparency; administrative restructuring; affirmative action; "democratising" labour relations and a staff code of conduct.

Ncholo said government's adoption of

the RDP recommendation for a defined racial and gender quota system would depend on stakeholders' comments.

Public servants would have to be retrained "to reorientate them to the realities of the new political order".

The culture of administrative practice had to be redirected from one geared to control and regulation to one that was centred on development and people.

Training had to be conducted through various channels, including in-service training, public and private sector training institutions, and tertiary education.

On broad policy, the document stated the Public Service Commission would have to establish new criteria for hiring, promotion, training and grading, and create a completely new classification system.

To ensure targets were met, the commission would have to advertise revised criteria for hiring, training and promotion as well as embark on extensive recruiting drives in disadvantaged communities.

● See Page 6

Whites 'still dominate'

Own Correspondent

LONDON. — The central problem in South Africa remained the total emancipation of the black majority from white social and economic domination — which remained intact.

This was said last night by Justice Minister Mr Dullah Omar, delivering the annual lecture of the Calamus Foundation, a Muslim body set up in 1989 to promote understanding between Muslims, Christians and Jews.

He also said one of the major tasks before the Constitutional Assembly was to take the process of constitution-making to people throughout South Africa.

"Concrete steps are being taken to ensure that a general public debate take place around all relevant issues, including on radio and television."

Mr Omar noted that the issue of language, cultural and religious rights in South Africa "had nothing to do" with minority rights.

They should be classified and dealt with as individual or collective rights. These were recognised and guaranteed by the constitution, he said.

Also present at last night's function were South African-born theologian and author Mr Farid Esack and South African-born art historian Ms Frances Jowell.

Building industry falls under spotlight of affirmative action and RDP projects

Weekend Argus Reporter

CAN South Africa's building industry cope with RDP programmes? This question will come under the microscope at a high-powered conference in Cape Town on Monday.

Minister of Public Works Jeff Radebe will be the guest speaker at the conference, entitled "Implementing Affirmative Action and the RDP in the Build Environment", to be held at the Ritz Hotel in Sea Point.

Hosted by the South African Black Technical and Allied Careers Organisation (Sabtaco), the conference will examine affirmative action and the RDP's implementation by focusing on the construction industry's capacity to deliver.

The conference will address present biases of race, gender and socio-economic status.

"The present structured discrimination of the industry requires an enormous shift to transform the way in which delivery takes place. The conference will tackle the crucial issue of encouraging black people into the mainstream construction economy... a vital part of the RDP. The issues of capacity building and partnerships in contracts will also be examined," a statement said.

Other speakers include Leonard Ramatlakane, Minister of Roads, Transport and Public Works (Western Cape), Ngconde Balfour, co-chairman of the Cape Town 2004 Olympic bid committee, and Delisiwe

176

Dludlu of the Black Management Forum.

Coinciding with the conference will be the official launch of Sabtaco (Western Cape). Its mission is to develop and promote technical skills within disadvantaged communities, to enable effective use of technology for sustainable social and economic development at the national, regional and local levels, and to build capacity and empower (economically and socially) communities as well as individuals with technical skills.

RRG-2910/94
Sabtaco's principles include affirmative action, a sustainable built environment, sustainable socio-economic development, capacity building and community empowerment.

The objectives are:

- To promote theory and practice of the technical disciplines in disadvantaged communities;
- To address the unique problems, needs and aspirations of disadvantaged professionals;
- To exchange knowledge and experience between the relevant disciplines;
- To promote technical education and training;
- To conduct research, assist and co-operate with statutory or other bodies;
- To ensure affirmative action and empowerment is implemented; and
- To actively influence interventions to redress past and present inequities.

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Affirmative action law considered

Political Staff

GOVERNMENT ministers were discussing whether an affirmative action law or system of laws was possible to cover a wide range of areas, Labour Minister Mr Tito Mboweni said yesterday.

Answering a question from the floor during a panel discussion at the international donor conference at the Cape Town Civic Centre, Mr Mboweni said eliminating racism in the workplace was his personal priority.

"We'll have to do something about it... from managing directors to the cleaners," he said.

Affirmative action would take place over a wide area, including equity ownership and businesses. Racially-based wage differentials and tendering for state business were some areas.

He said the discussion among ministers was over whether an affirmative action law or a system of laws would help achieve this.

Targets urged on affirmative action

CT 14/10/94 (176)

By BARRY STREEK
Political Staff

SPECIFIC targets had to be given for affirmative action to work, over 300 delegates at a local government conference decided yesterday.

They also said that the formation of a national group for setting standards for local government employees or a national local government commission be considered.

The delegates, attending the Institute for Local Government and Development conference in Sea Point, urged that independent evaluation mechanisms be established to monitor progress with affirmative action and the actions of politicians, officials and local government employees.

Deputy director-general of Constitu-

tional Development Mr Thozamile Botha said the proposals made by delegates showed "an understanding of the need for affirmative action".

A document which summarised the proposals said affirmative action was "an integral part of a development strategy and should be accorded the same status for funding as other essential services".

Affirmative action posed "vast challenges in balancing short-term steps with long-term policies".

The document said affirmative action had to address the basic causes of inequality and discrimination and ensure results were visible.

"The process must address the fears of people, yet it should not lose its focus on the expectations of the historically disadvantaged groups."

SBDC must reflect the 'SA population'

ADELE BALETA
Staff Reporter

ARG 13/10/94

(S) (178)

THE Small Business Development Corporation must take more risks with all small businesses and the composition of its board should reflect the South African population.

Alistair Ruiters, assistant to Trade and Industry Minister Trevor Manuel, says the SBDC needs to change to keep up with developments in the country.

Elaborating on his allegations the SBDC was "racist" in its allocation of loans, he said he could back up claims with lists of complaints from people mainly in rural areas who had been denied access to loans and services.

He said he had brought this to the attention of the SBDC.

"There is an element of risk in any business.

"The outcome cannot be guaranteed no matter who is applying for the loan," he said.

The organisation also needed to re-educate staff in dealing with loan applicants.

Dr Ruiters said instead of allocating money to the SBDC, R80 million would be allocated to any organisation involved with SMEs (small and medium enterprises) on a competitive basis.

Reacting to the criticism, the SBDC's Western Cape manager, Toni Kedzierski, said re-training to improve competency and to sensitise personnel to change had begun.

According to its annual report, the SBDC has agreed to board representation by organised commerce, trade unions and other community interests after discussions with the National Economic Forum, NAF-COC and SACOB and others.

He said in the Western Cape the SBDC had become more involved with organisations like Nafcos and Fabcos which had links with township residents.

"These groups are helping us identify people with leadership roles who can assist us in targeting individuals for loans.

"We have needed to become more involved with the community to assess needs.

"The difference between us and other finance institutions is we cannot say no to loans and leave it at that; the least we offer is advise."

On government reallocation of funding originally intended for the corporation, Mr Kedzierski said:

"Government needs to decide on what criteria money would be allocated."

Many NGO's did not keep books through lack of administration skills and they had to pay recurrent costs from the capital budget rather than from income received.

He noted the SBDC had a record number of applicants for loans this year.

A trend was white school leavers who could not find work were being set up in business by parents.

Few takers on black empowerment

From SIMON BARBER

WASHINGTON. — The SA Private Investment Fund (Sapif), a US-based limited partnership hoping raise \$100m to invest in unlisted black SA enterprises, is having difficulty attracting investors.

"We're a bit baffled," said Francis Corcoran, MD of New York investment bankers Reynoldson, Gray and Co, which is acting as placement agent.

Corcoran said he could not understand why the university endowments, foundations and state pension plans which had "yelled the loudest" for disinvestment were "not stepping up" now that they were being asked to put their money back in.

One of the fund's two general partners is Ian Wilson, the former vice chairman of Coca-Cola who is currently helping finance the return to SA of Pepsi through Egoli LP, the African-American controlled entity which has a 75% stake in the SA Pepsi franchise.

According to Corcoran, Sapif hopes to provide capital for black-owned Pepsi operations in Natal and the Cape, as well as for the expansion of the facility now under construction in Johannesburg.

CT 27/9/94
This would be part of its broader strategy of identifying viable black management teams and helping them either launch new firms or buy existing ones.

Unlike Bear Stearns and Mor-

gan Stanley, which have launched closed end mutual funds specialising in shares already traded on the JSE, Sapif was "trying to provide a vehicle for black economic empowerment." (176)

One US investor that has committed to Sapif is the Calvert Social Investment Fund, which has put up the minimum \$1m subscription. Calvert has also announced it intends to place \$800 000 in SA's Community Growth Fund.

Sapif's closing date was originally set for October. Corcoran was not sure when it would occur now. There would be a first closing once \$20m of the envisaged \$100m had been committed.

Affirmative action for Eskom, Denel

CLIVE SAWYER
Political Correspondent

TRANSNET, Eskom and Denel are among parastatals targeted for affirmative action restructuring.

Public Enterprises Minister Stella Sigcau told the national assembly that restructuring would provide "maximum stimulus" to the economy while redressing past inequities. **ARL 22/9/94**

She said Eskom's goals for the next five years were:

- Ensuring half of all its management, professional and advisory staff were black South Africans by the year 2000.

- Cutting the electricity price by 15 percent, to become the world's cheapest supplier of electricity.

- Electrifying a further 1,75 million homes.

- Enabling all Eskom employees to own a home.

Arms manufacturer Denel had said its three-year goals were:

- Doubling exports and foreign exchange earnings to R1 300 million.

- Ensuring 30 percent of management came from "under-represented" groups, including women.

Training programmes for technicians and computer programmers were among its other goals.

The parastatals are Alexkor, Aventura, Denel, Eskom, Safcol and Transnet. Their combined assets are valued at more than R1 billion.

Affirmative action 'essential'

■ BY MICHAEL SPARKS

Affirmative action must be urgently implemented to reduce pressure for a destructive revolution which would address issues faced by the disadvantaged, but severely damage the country in the process, according to PWV Premier Tokyo Sexwale.

Addressing an ANC seminar on affirmative action in Sandton yesterday, Sexwale said the process of addressing past economic wrongs could not be left to chance, or else an articulate, radical demagogue could lead the country to destruction.

He questioned whether all South Africans could proudly say they owned a

Sexw
stake in the country, let alone whether they were well represented in agriculture, mining, manufacturing or the financial sector.

Sexwale said that while it was difficult to recover from apartheid legislation, it was 10 times more difficult to recover from the effects of Bantu Education, which would be with the country for years.

Quotas should never be the critical means of redressing injustices. Democratising the recruitment and promotion system was a far more effective process.

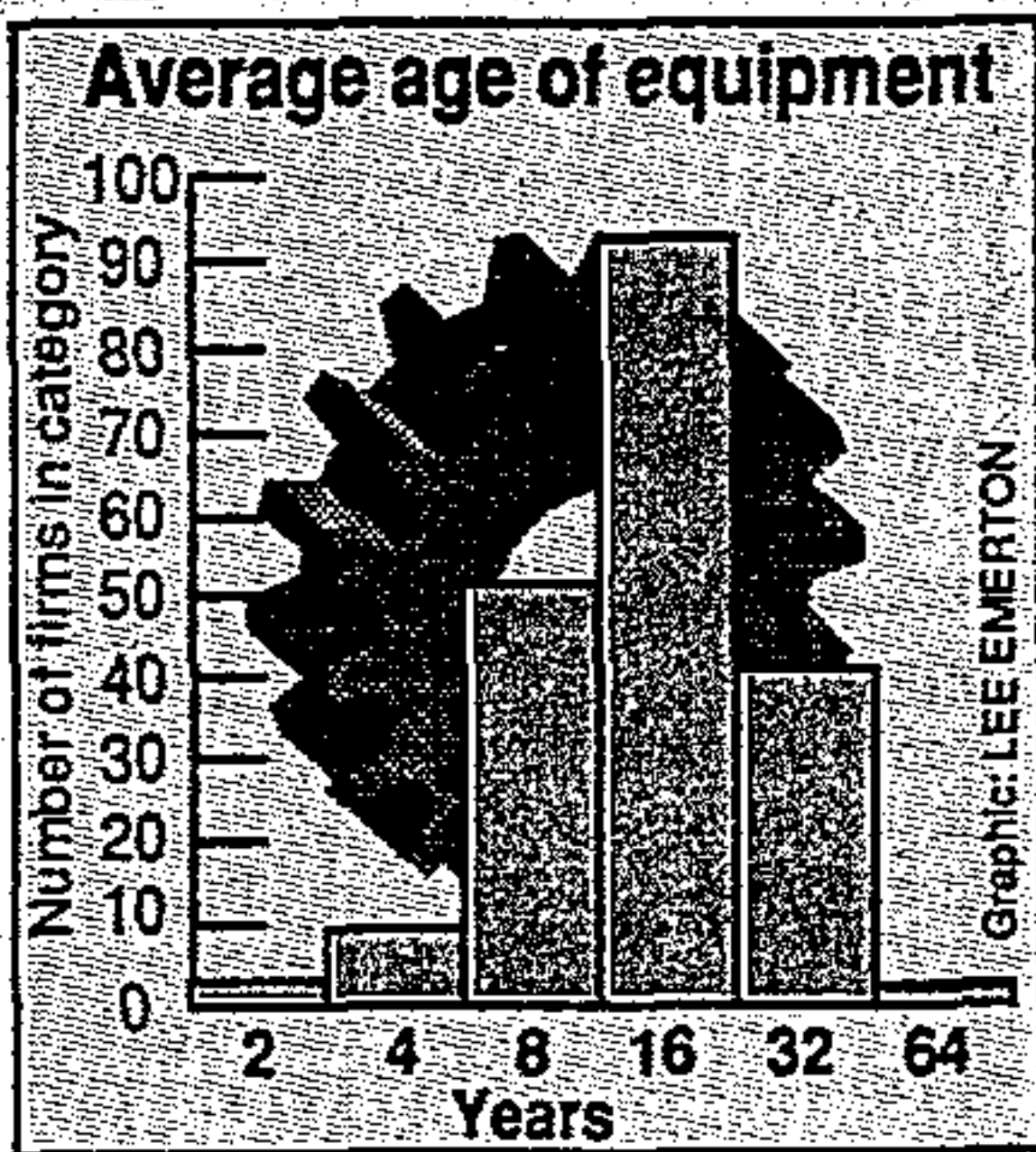
But, Sexwale added, in the short term, quotas and time-frames could play an important role if they balanced the needs

14/9/94
of the majority with the availability of skills among the minority.

He said that one aspect of affirmative action that was unacceptable was the token promotion of black faces who were given keys to BMWs and manned the door at executive suites at sports stadiums, but did little else.

(176)
PWV MEC for Finance and Economics Jabu Moleketi said he preferred to refer to affirmative action as the equalisation of opportunities.

He added that the country needed to alter its mindset in the economy, as it had in politics, so that blacks were seen as capable of more than just providing unskilled labour.



Human resources 'a vital factor'

EDWARD WEST

CAPE TOWN — The manufacturing sector would have no future unless it paid more attention to human resources development, Trade and Industry Minister Trevor Manuel said yesterday.

The failure of industry and the formal education system to provide sufficiently for education and training had relegated SA's human resources development to the bottom of a list of 41 countries (180).

Speaking at UCT's Graduate School of Business, which announced the findings of its global manufacturing survey yesterday, Manuel said SA could not wait for the fruits of an improved education system, which might kick in only after seven to 15 years. Innovative solutions were needed to produce sufficient numbers of skilled people to meet the needs of the economy.

A World Economic Forum survey this week had shown SA trailing its international competitors in several key areas — and it came last in terms of human resources.

The UCT survey showed that cost containment was a major concern for SA manufacturers. Although the 212 respondents — representing more than 200 000 employees in SA and R50bn in annual turnover — were optimistic about exports, growth in exports was not apparent.

Manufacturers were failing to equip themselves for niche markets: investments in flexibility had low priorities and high-tech products enjoyed a lower/priority than traditional products. There was less emphasis on reducing plant size during the report's two-year period, although industrial equipment was old. More than 60% of respondents reported that equipment was

□ To Page 2

Manuel

more than eight years old.

Training dominated future priorities, but issues such as multiskilling and cross-functional team initiatives — ranked as "best practice" issues elsewhere in the world — showed up as important but difficult to implement. (180)

Manuel said industry had failed to provide adequately for training. Instead of building on the skills of black workers, it had expanded on the basis of expensive imported skills linked to white immigration policies.

Labour was regarded as a cost rather than a resource. A legacy of racism contin-

ued to exclude competent black and female skilled and semi-skilled workers.

The SA Chamber of Business said SA's spending on human resource development was "atrociously" low because of the past abundance of relatively cheap labour. There were also insufficient training incentives. Companies had neglected the area because, during the sanctions era, they had been protected from world competition by government policies.

Given current spending levels on education and training, and expected economic growth rates, skills shortages were likely during the next decade.

□ From Page 1

Rationalising service

Political Staff

ALMOST 1,2 million civil servants would be affected by rationalisation and 1,4 million people had applied for the 11 000 affirmative action jobs, the Public Service Commission disclosed yesterday. ~~(250)~~ ~~(176)~~

Commissioner Mr Ian Robson said there were 1 187 500 civil servants, 746 400 from the central government, 220 700 from the former independent homelands and 220 400 from the for-

mer non-independent homelands.

The commission had to transform the central South African administration, four provincial administrations, four TBVC administrations and six self-governing administrations into one public service, with a central administration and nine provincial administrations. CT 7/9/94

Another commissioner said 250 of the 11 000 affirmative action posts were for management positions.

**HSRC 'has 76
made changes'**

CT 7/9/97
PRETORIA. — Affirma-
tive action has brought
"dramatic changes" to
the Human Sciences Re-
search Council, said
president Dr R H
Stumpf, with about 30%
of staff being people
from "historically disad-
vantaged communities".
Deputy Arts, Culture,
Science and Technology
Minister Mrs Winnie
Mandela has said the
HSRC had to reform to
serve all. — Sapa

JCI reports its 'best performance'

Biday 7/19/94

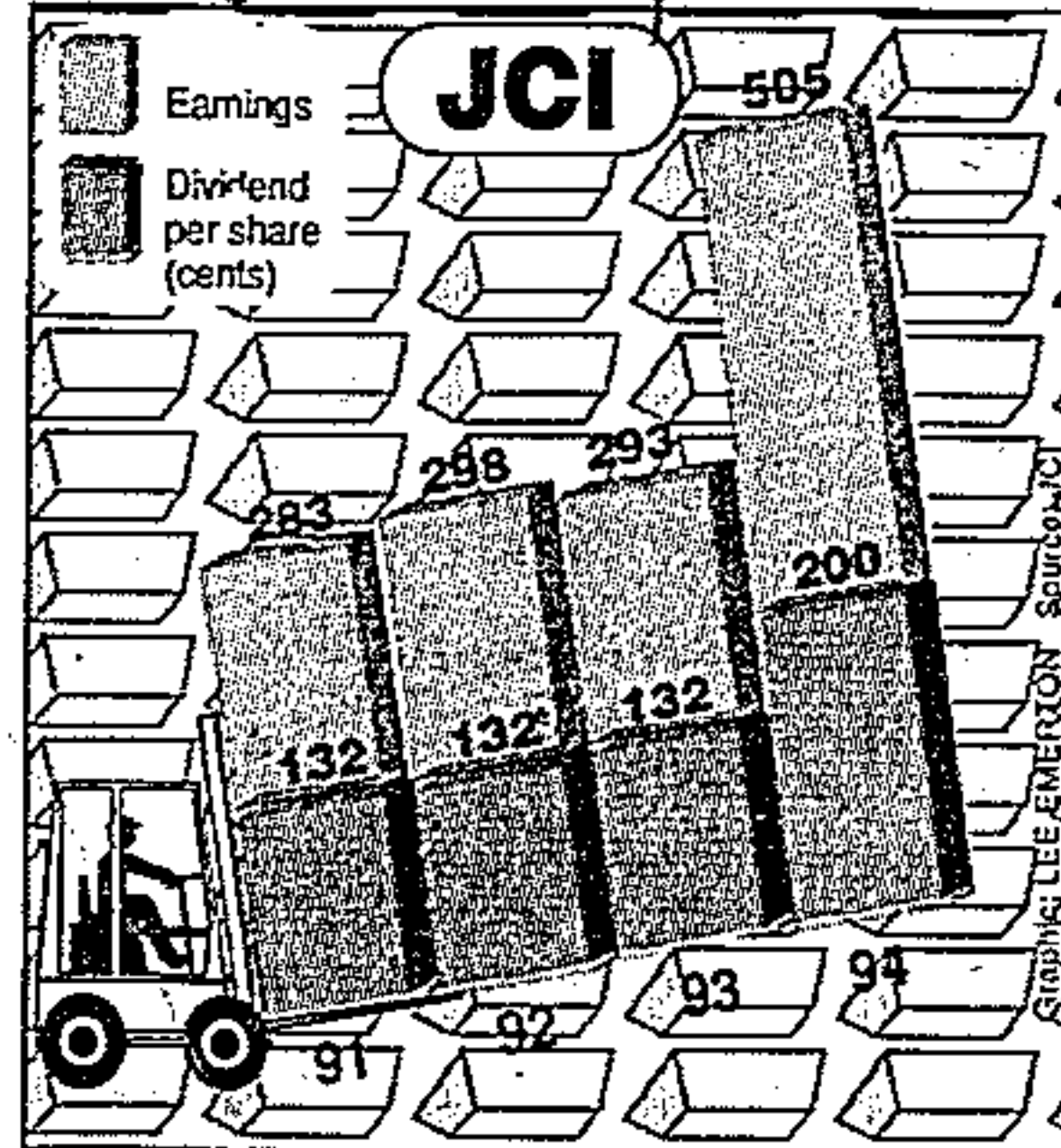
MADDEN COLE

JOHANNESBURG Consolidated Investment, which could be reporting for the last time as combined group before unbundling, reported sharply higher contributions by all sectors for the year to June, with attributable earnings surging 73%.

Chairman Pat Retief told a news briefing yesterday that the results were the best achieved by the group. "The year turned out to be a very good one, and just as well, as it could be the last time JCI will be reporting as a group."

Earnings moved up to R748m (R433,2m) on turnover of R2,91bn (R2,63bn), equivalent to earnings a share of 505c (293c). Equity accounted earnings before extraordinary items showed a corresponding increase to R912,9m (R582,4m) which translated in earnings a share of 616c (394c) ~~(180)~~

With non-recurring profits taken into account, Retief said the improvement in sustainable earnings allowed final divi-



dend to be increased 71% to 154c, with total dividend up 52% to 200c.

Minerals and mining sector reporting a 53% increase in profits to R324,6m. This was mainly from improved commodity

□ To Page 2

JCI

Biday 7/19/94

□ From Page 1

markets and world economy.

Retief said there was a welcome reversal in platinum's contribution which increased R29,1m to R114,5m. He attributed the improvement to Potgietersrust Plats reporting for the first time.

Improved operating results and the increase in the average gold price enabled group gold mines to increase dividends substantially, and make a major contribution to bottom line. Contributions increased 171% to R93,8m.

No decision had been taken on South Deep gold mine, but Retief said it was expected to be a major producer. And with the better gold price, he was confident the gold sector would move ahead.

The diamond dividend increased 32% to R104,2m, largely because of the continuing weakness of the rand.

The group had made substantial investments in the coal sector in recent years which should be recouped as the export situation was improving ~~(180)~~

Earnings from the industrial and property sector increased 58% to R367,7m, and even if dividend in specie of Argus Newspapers was excluded, Retief said the increase was still 22%.

Good performances were reported by

the Premier Group, SA Breweries, TML, Argus Holdings and Toyota SA.

The net extraordinary charge of R87,2m (R49,4m) included a provision for unbundling, rationalisation and future medical aid costs of current and future pensioners.

Net current liabilities were reduced to R82,2m (R423,6m) and investments moved up to R2,74bn (R2,35bn). Net asset value increased to R107,74 (R75,95) a share.

Retief described Randcoal as a missed opportunity and said JCI's coal division would have to grow from within. It would have made the mining companies more viable proposition with unbundling and balance out the large emphasis on gold.

Preparations for the group's unbundling were continuing, but the process required an amendment to the Income Tax Act still to be promulgated by Parliament.

Forecasting was difficult because of the pending unbundling, but Retief was optimistic about contribution of all group businesses. "We're moving out of the recession and the global economy is encouraging."

Analysts described the results as above expectation. The results were an excellent sign of the times with commodity markets on the rise, one said.

● Picture: Page 3

SA industry 'must be restructured'

180

CT 5/9/94

Own Correspondent

JOHANNESBURG. — Widescale industrial restructuring would be required to fit in with the Reconstruction and Development Programme, deputy Finance Minister Mr Alec Erwin said at the weekend.

Addressing the Independent Mediation Service of SA (Imssa) 10th anniversary conference, Mr Erwin warned of the rigours of gearing up for re-entry into the world economy after decades of protection.

He said industries should prepare for the introduction of new technology and new production methods, as international competitiveness could not be fostered under current conditions.

Isolation and tariff barriers had led to high cost structures in South Afri-

can business which would have to be rectified in the near future.

Mr Erwin challenged the private sector to be as innovative as possible in devising new products and production techniques.

Economic growth — a basic tenet of the RDP — would be premised on job creation in the private sector and not on government-sponsored public works programmes.

● On the "gravy train" debate, Mr Erwin said that for the first time parliamentary incomes were utterly transparent with no hidden perks. A bill to be presented to Parliament soon would establish a commission, open the debate on public sector remuneration and seek comment from all quarters.

African Life's visionary Ncube Wins Business Achievement Award

19/9/94
The

Business Day Reporter

DONALD Ncube, the businessman who mobilised the funds of millions of ordinary people to win black control of African Life assurance company, was honoured last night with Business Day's Business Achievement Award.

The citation, presented by Business Day editor Jim Jones at a banquet in Johannesburg, said the achievement had given real meaning to the concept of black empowerment. The award was made to Ncube, chairman of African Life and of Real Africa Investments, "for the successful implementation of his vision designed to spread ownership and control of the country's productive assets among the broadest

possible range of citizens".

Ncube said he was overwhelmed by the unexpected award, which he accepted on behalf of Real Africa Investments. He thanked the many people and companies who had supported him in the venture.

The citation said Ncube had been acutely aware that the acquisition of political power by black South Africans would lack substance if it was not accompanied by economic empowerment. He realised this could endanger the process of political democratisation and the survival of the free market system. To achieve the initial goal of purchasing a majority shareholding in African Life he mobilised funds held by

trade union-controlled retirement funds, stokvels — the informal savings societies — and church groups.

"What set this initiative apart from other instances of black entry into the economic mainstream was that it effectively involved millions of people rather than a small number of individuals."

The technique pioneered by Ncube and his consortium had since caught on elsewhere, and promised to be just the beginning of a greater process which would help eliminate the racial distortions in owner-

ship and control of the SA economy.

Guest speaker Trade and Industry Minister Trevor Manuel confirmed his stance against unwarranted protectionism.

"We are unambiguous about the fact that protection on demand has gone the route of the dodo," he said.

But given market distortions, the state could not assume a neutral posture.

"The worst case for this economy is that we throw our industries, which have been shielded from the market for so long, to the vagaries of international competition rapidly, and so destroy investment and jobs. We must seek to direct our resources to where they have a true and dynamic comparative advantage."

SA therefore had to seek a middle route through the coalition of forces represented by the National Economic Forum. But the forum — soon to become the National Economic, Labour and Development Council — would have to take decisions on difficult issues.

The issue of winners was central to the democratic project in SA, and the first winners would have to be the companies. "Only when sufficient energy is generated for change at the company level does a nation succeed," said Manuel.

● Picture: Page 3
● See Page 8

Award

Govt seeks input on policy

GOVERNMENT was awaiting input on affirmative action from organised business to add to a first draft policy document, ANC human resources programmes co-ordinator Papi Moloto said yesterday. *BISaw*

At a Group Communications seminar, Moloto said government hoped to have a Bill intended to empower black workers ready for debate in the March Parliamentary session.

Despite the apparent absence of a planned national labour commission to ensure all relevant parties debated and agreed on the content of affirmative action legislation, a draft discussion document had been drawn up and presented to Labour Minister Tito Mboweni. A committee had been established to investigate preliminary legislation. *3118194*

Its first priority had been identified as outlawing all discrimination in the form of a gazetted proclamation. Laws such as the Companies Act would be revised to remove all obstacles to the successful implementation of affirmative action, Moloto said.

ERICA JANKOWITZ

The law would be designed to target organisations to comply with its terms, rather than individuals.

Affirmative action legislation was seen as an interim measure to redress past imbalances and ensure that employment trends more accurately reflected the demographic composition of SA. Objectives and timeframes would be clearly stated.

The term "affirmative action" would be defined clearly to ensure equal opportunities in terms of training, employment and incomes.

A balanced system of incentives such as tax breaks and awarding government contracts — and sanctions — including black listing, tax penalties and external auditing — would be implemented. An appeals mechanism would also be devised. *(176)*

A negotiating forum with representatives drawn from organised labour and business, training institutions and government would set appropriate targets at sector level.

THE arrival of a giant black-controlled company with assets of R7 billion sets the scene for changing the traditional South African business landscape, and, as to policy direction, the first chairman happily quotes Communist China's leader Deng: 'It is glorious to be rich'. Derek Tommey reports

Black business nails flag to mast

Star 26/8/94

Monday will be an important occasion in the history of the black community. It will mark the arrival of the first major black-owned and black-controlled investment company on the Johannesburg Stock Exchange.

Black business sees the move as a significant development in black economic empowerment, especially as the company — New Africa Investments Limited or "NAIL" — has the potential to become one of the biggest investment houses in southern Africa.

Black enthusiasm for the company is high and this has given it more than 8 500 black shareholders. NAIL's initial share offer to raise R51 million was completely taken up in 10 days and was five times oversubscribed.

Other stakeholders in NAIL include a million black union members who have entrusted the management of their pension and provident funds to Metlife. Fortunately, the unions have the kind of funds which can be invested in black enterprise, says NAIL's executive chairman Dr Nthato Motlana.

The company has three major investments — a controlling stake in Metlife, the country's seventh biggest life insurance company, a controlling stake in the Sowetan newspaper group, and a controlling stake in MTN cellular telephone company. Together these companies are worth about R7 billion.

But Motlana made it clear at a presentation to investment analysts this week that this is just a beginning for NAIL. "We want to achieve real growth in shareholder wealth," he said, quoting a remark by Chairman Deng of Communist China, "It is glorious to be rich".

NAIL's immediate growth is expected to come from Metlife, which is expected to continue its strong performance of the past four years; the Sowetan is to expand its operations into Natal and the Eastern Cape; and MTN is expected to show substantial growth in the rural areas.

However, Motlana has his sights set on more than this. "NAIL is a focused black business and has achieved the critical mass which will attract investment opportunities," he said. Other black business leaders have been keen to discuss their operations with NAIL. An over-

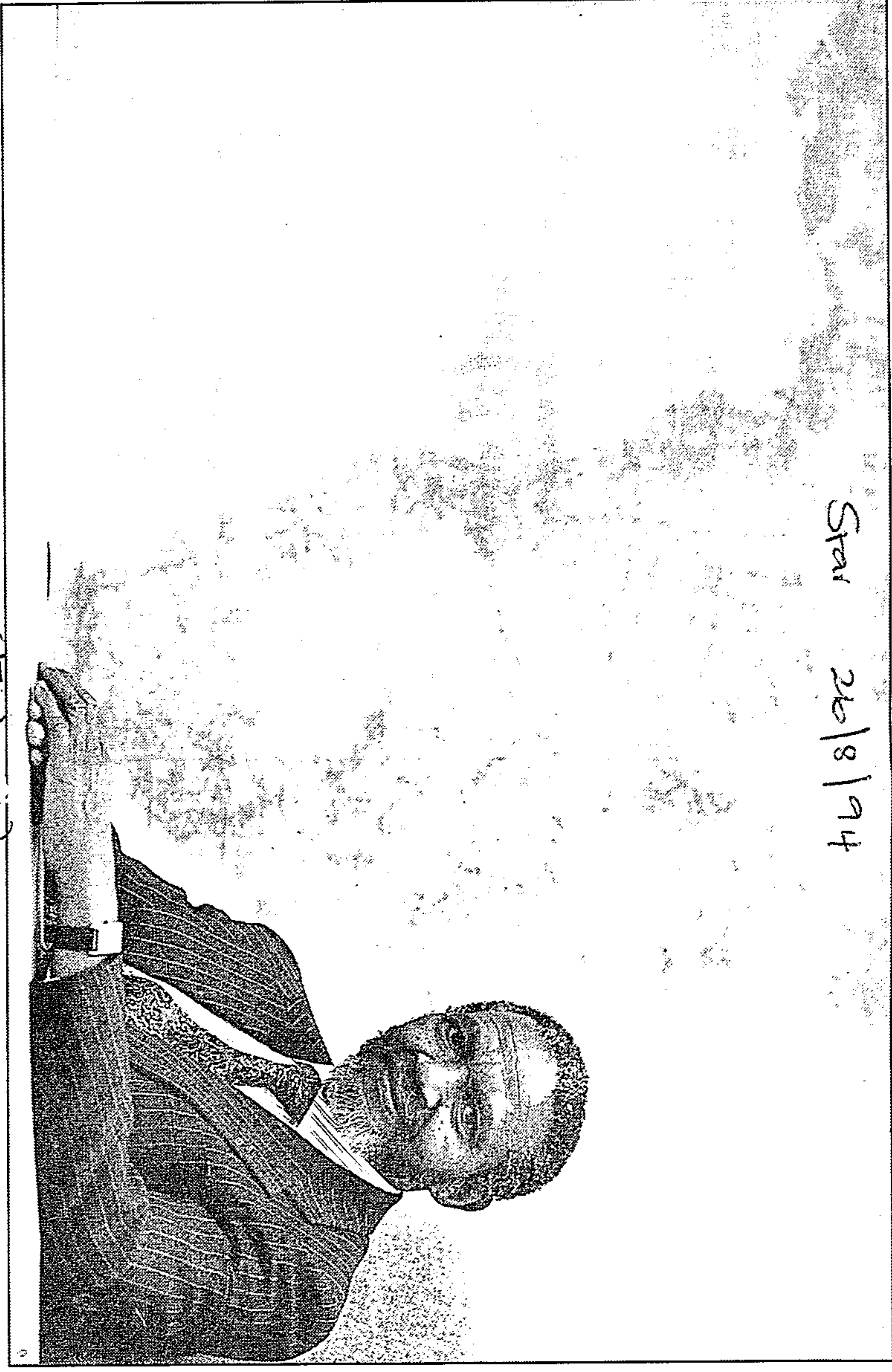
Let's all get it together... there is no way this country will prosper unless you (whites) and I

band together to create those jobs and wealth

needed to take this country forward," says NAIL executive director Dr Nthato Motlana.

PICTURE: RUVAN BOSHOF

Star 26/8/94



seas business wants to come on board. NAIL might also acquire some of the companies which would become available following the unbundling of the big organisations, he said.

(He did not say whether he had in mind any of the companies likely to fall out of the JCI stable when its controlling shareholder Anglo American unbundles this major mining group. But NAIL would certainly be in a strong position to acquire some of the JCI companies).

It would be surprising if the company has not acquired a banking institution by the end of the year, he continued.

NAIL's controlling shareholder, with 51 percent of its shares is Corporate Africa, which was established to take control of the Sowetan. The second biggest

shareholder is the National Council of Trade Unions (Nactu) which holds 14 percent of NAIL. However, it has ceded its voting rights to Corporate Africa. Other black investors and black employees of Metlife together hold 13 percent of NAIL taking total black control to 78 percent.

The other shareholder of consequence is the Sanlam/Sankorp group, which transferred control of Metlife to NAIL. It has linked preference shares in NAIL which gives it a 20 percent stake in that company. But it does not have voting rights.

These preference shares can be redeemed or converted into NAIL shares at the option of NAIL after three years. Sanlam/Sankorp has the right to redeem or convert its preference share holding after five years.

The conversion option could increase Sankorp's stake in NAIL to 37 percent. But Sankorp says it does not want this and has given an undertaking to reduce its stake to 24 percent by the sale of its holdings.

While Motlana has scored a considerable success in building up NAIL, he has not been without his critics. Some people, he says, insist the company should be run by blacks "from top to bottom" and that the funding should be black.

But this view does not hold in South Africa where 45 years of apartheid has made it impossible for blacks to acquire the necessary skills and the necessary capital. "NAIL's companies must be run and controlled by blacks, but non-blacks must be included."

Further, he carried this view further, telling his mainly white listeners: "There is no way this country will prosper unless you and I band together to create those jobs and wealth needed to take this country forward."

Among NAIL's international partners are Tony O'Reilly, a major shareholder in Ireland's Independent Newspapers, which has bought a stake in Argus Newspapers from Argus Holdings; Cable and Wireless; and investment house Morgan Stanley. Local companies in partnership with the company include San-korp, The Argus Group, Standard Bank and M-Net.

The gross value of NAIL's own assets (not those it controls) is R865 million, with a net value of R793 million of which R530 million belongs to its ordi-

nary shareholders. The net asset value of NAIL's shares is R1.53. The company's obvious strong ability to attract new investments both locally and from overseas means it has tremendous growth prospects. Therefore NAIL's shares will undoubtedly come to the Johannesburg Stock Exchange at a handsome premium.

But even without any new assets NAIL's prospects are still bright. In the past four years the earnings on its investments grew by an annual average rate of 41 percent. NAIL is forecasting an increase of only 15 percent in its earnings this year. But this is probably a cautious understatement made with the intention of not raising investors' expectations too high.

Sacking of leader may split black civil rights group

American's mainstream black civil rights movement, the National Association for the Advancement of Coloured People (NAACP) — made famous by the late Martin Luther King — is in danger of splitting into conservative and radical factions after ousting its controversial executive director, Dr Benjamin Chavis.

Chavis was fired by the NAACP at the weekend after secretly paying \$340 000 (R1.2 million) of the organisation's funds to settle a sexual discrimination claim against him by a woman staff member.

But Chavis had already stirred controversy for running up nearly \$3 million (R10.8 million) of debt and for steering the organisation in a more radical direction by courting controversial black leaders such as the radical, anti-Semitic and racist head of the Nation of Islam, Reverend Louis Farrakhan.

The change of direction by Chavis — who had been jailed in the '70s for inciting a crowd to firebomb a church — won younger converts but alienated many moderate supporters and liberal and Jewish corporate donors.

Just before Chavis was ousted, the Ford Foundation delayed payment of a \$250 000 (R900 000) grant to the NAACP. This gave Chavis the opening to claim that he had been ousted for ideological rather than ethical reasons.

At a rally soon after being fired, he accused the NAACP's leaders of being puppets of the corporate establishment. "I am committed to the struggle of our people in a way that does not make one want to bend," he said. "Too many of our leaders have bent over."

Chavis said he had been crucified by the NAACP, "but today, we celebrate the resurrection." At a Sunday summit of black leaders, Chavis presented his

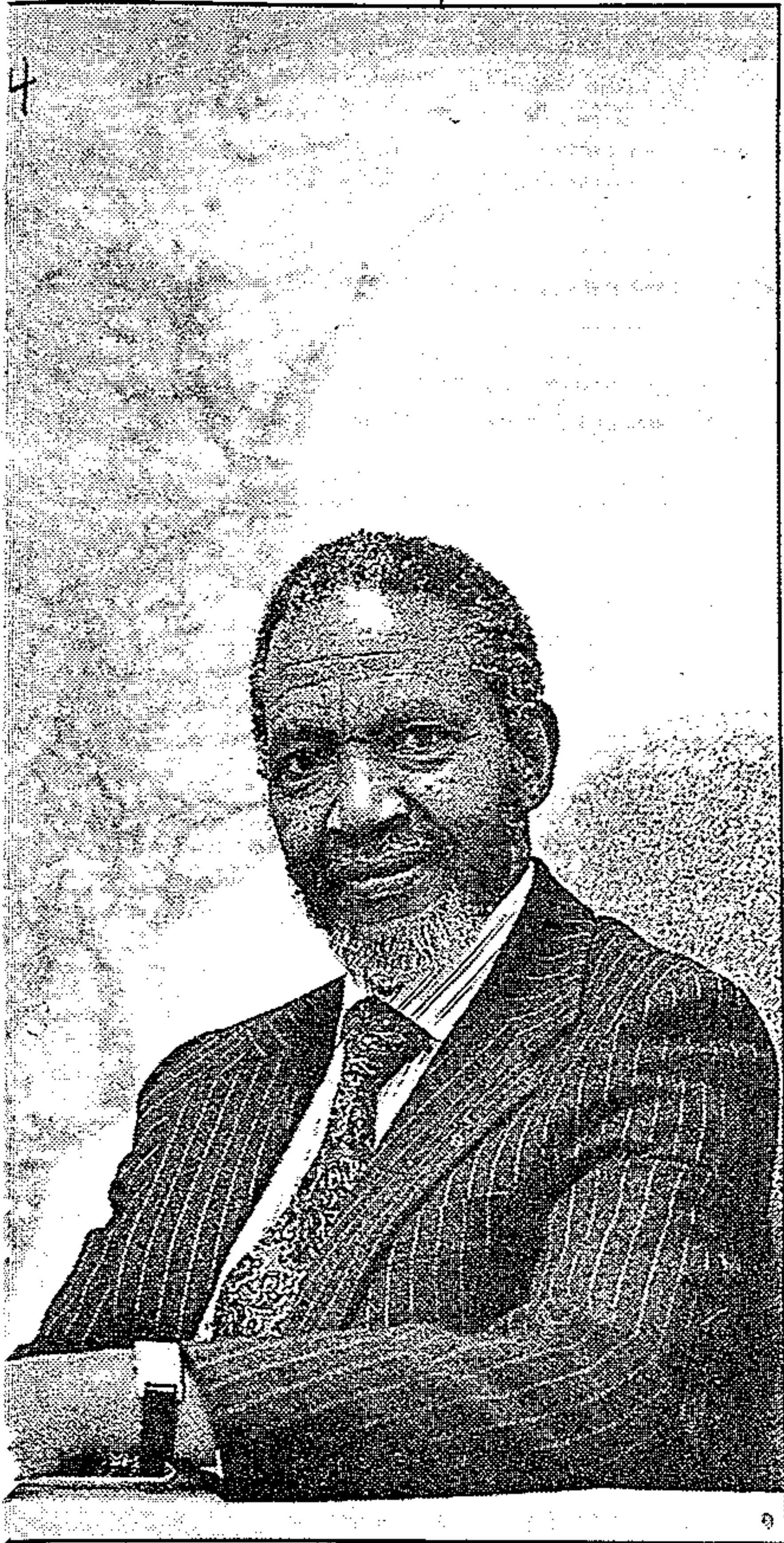
CONTROVERSY

leader tells members to join sides in dispute, reports Fabricius

dismissal as part of the future of the movement: "Between the end of this year have to decide whether the struggle should His allies at the attacked the NAACP "geriatrics" and urged to throw them out said Chavis "violate in corporate America rich and the power NAACP should be.

"Corporate America foundations put secure on the NAACP didn't vote their convictions their pockets. Meanwhile, the interim senior adviser Earl Shihoster, called to rally behind the and announced a

Chavis had been pel the organisation. image in other way. vening gang summit public-housing programme, and high-profile environmental activists of toxic waste poor areas. He had also co-ordinated black as rap singer Sister recently said: "If I kill black people every not have a week people?" Chavis had been squandering the resources on extending an 8 percent for 120 senior staff finding trip by 12 South Africa before.



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CONTROVERSIAL US leader tells members to join sides in NAACP dispute, reports Peter Fabricius

dismissal as part of a struggle over the future of the civil rights movement: "Between now and the end of this year, blacks will have to decide which direction the struggle should take."

His allies at the summit also attacked the NAACP board as "geriatrics" and urged followers to throw them out. Farrakhan said Chavis "violated what those in corporate America and the rich and the powerful believe the NAACP should be."

"Corporate America and the foundations put so much pressure on the NAACP, people didn't vote their conscience, they voted their pocketbooks."

Meanwhile, the NAACP's new interim senior administrator, Earl Shihoster, called on blacks to rally behind the organisation and announced a 30-day membership and fundraising drive.

Chavis had been trying to dispel the organisation's staid image in other ways — by convening gang summits, living in a public-housing project for a week, and highlighting "environmental racism", the locating of toxic waste dumps near poor areas.

He had also courted other controversial black figures such as rap singer Sister Souljah, who recently said: "If black people kill black people every day, why not have a week to kill white people?"

Chavis had been attacked for squandering the organisation's resources on extravagances, such as an 8 percent salary boost for 120 senior staff and a fact-finding trip by 12 officials to South Africa before the elections.

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Metlife name change

~~58~~ CT 24/8/97
METLIFE Investment Holdings will change its name to New Africa Investments (NAI) after shareholders voted in support of the transactions that will culminate in the listing of SA's largest black controlled company on Monday.

(176)

Affirmative action coherency stressed

BDS

22/8/94

THEO RAWANA

AFFIRMATIVE action should be implemented in a more coherent and transformative manner, and should not be reduced to promotions of a small number of educated blacks, the RDP Council said on Friday.

The council, made up of mass-based extra-parliamentary organisations, said it was set up to ensure a successful, people-driven implementation of the reconstruction and development programme.

Convened jointly by the ANC-led tripartite alliance, the SA National Civic Organisation and the National Education Coordinating Committee, the council drew membership from a wide range of organisations, council co-ordinator Cheryl Carolus said.

She said the council was critical of the "indecisive and unconvincing way" in which the Public Service Commission, which was crucial to the implementation of the RDP, was approaching its work.

Some members of the public service were not convinced about the need for the RDP, and steps should be taken to ensure that such individuals did not use their positions to undermine it.

"The transformation of the public service needs to develop a momentum to re-

flect SA society in general. To this end affirmative action needs to be implemented in a much more coherent and transformative manner.

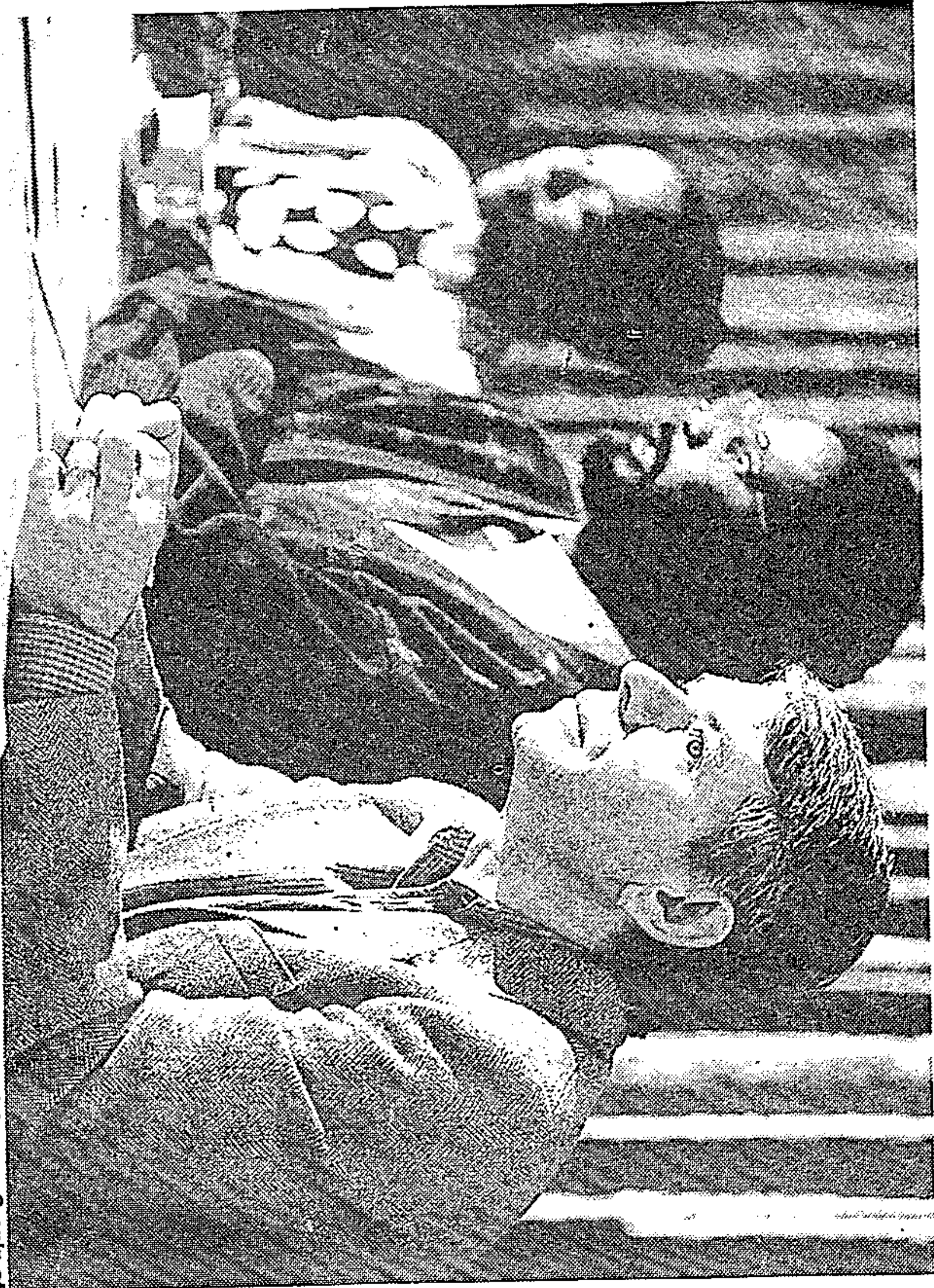
"It cannot simply be reduced to promotions for a small number of well-educated blacks. Affirmative action needs to be part and parcel of the restructuring process of both public and private sectors."

Black Management Forum organisational transformation consultant Mpho Makwana said certain companies devoted much rhetoric to affirmative action while continuing to ignore local talent and employing foreigners.

He called on the Home Affairs Ministry to address the problem.

The council said it was concerned about the number of resources consumed in the overall administration in contrast to the level of services delivered.

There was no doubt the RDP was used by some as a form of legitimacy to seek endorsement for projects or to create an impression that the RDP was being implemented. There was a real danger that if this continued it would result in dissipation and a loss of focus and coherence.



RDP council co-ordinator Cheryl Carolus, left, Cosatu assistant general secretary Zwelanzima Vavi and Jeremy Cronin of the SACP at a news conference on progress at the 100-day mark of government and the RDP.

Picture: ROBERT BOTHA

JSE's black market needs work

THE Johannesburg Stock Exchange has gone to great lengths to facilitate black empowerment but, in the process, may have sacrificed some of its supervisory responsibilities.

JSE president Roy Andersen this week released draft proposals for the exchange's new listing requirements, "which bring the JSE in line with international markets but also recognise changes in the local financial environment".

The proposals are contained in a document drafted with the assistance of British experts. In most respects, therefore, the proposed listing requirements are in line with overseas markets, particularly the London Stock Exchange, but they differ markedly in three major aspects: the retention of primary pyramid companies, the listing of shares with differing voting rights and the establishment of the Financial Redevelopment Sector.

The most controversial of the three is the retention of primary pyramid companies. While most stock exchanges prohibit pyramid companies the JSE has decided to relax these restrictions "to facilitate broader economic empowerment".

A pyramid structure allows control of the same assets to be gradually centralised rather than spreading it among management and eventually facilitate employee participation.

In a similar vein the JSE plans to allow the listing of shares with differing voting rights. The only condition is that the majority of shareholders, other than the controlling shareholder, approve their issue.

The planned listing of New Africa Investments (NAI) tomorrow uses this principle to facilitate control of Metropolitan Life by Dr Nthatho Molliana's Corporate Africa. While Corporate Africa controls a large majority of voting shares Sankorp provides the bulk of the funds for the transaction through holding

Proposals published by the JSE this week for making the exchange more accessible to black investors may introduce a new set of problems if adopted, writes **SVEN LUNSCHKE**.

most of the preference shares.

Merchant bankers to the NAI issue — Standard Merchant Bank and Rand Merchant Bank — are believed to have put a strong argument to the JSE to ease the existing requirements.

The establishment of the Financial Redevelopment Sector — an "RDP sector" — also carries with it a number of complexities.

Mr Andersen says companies wishing to invest in socio-economic development projects or corporations would be assisted by more relaxed listing requirements.

Such companies will not be required to submit a profile history, although they will have to give appropriate information about their investment policies and their risk profile.

They will be allowed to invest fully in unlisted socio-economically focused companies, but the majority

of the directors may not be involved in the day to day running of any one such investment. No more than 20% of its funds may be invested in a single project or company.

However, analysts point out that investments of a socio-economic or development nature often carry more risks and that easing listing restrictions would make detection of problem areas much more difficult. Black business will also be enticed into the venture



POLISHED ACT cleaner Odilon Tossane renews the JSE's lustre

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capital market through a reduction in the minimum capital requirement for a listing, to R500 000 from R2-million.

A number of banks and black-controlled companies have submitted detailed plans for a listing on the "RDP sector". Mr Andersen says the JSE has received three "serious" proposals so far.

Companies that have announced their intentions include Rand Merchant, UAL Merchant Bank, Rich-

ard Maponya's Killimanjaro Holdings and Willowton Industries, a consumer products group.

Mr Andersen indicates that proposals specifically designed to promote black empowerment but which are not in line with international standards could eventually be lifted.

"However, for the time being we have to allow pyramid structures and low voting shares to achieve black participation in the market."

Other key proposals contained include:

- Rights issues can take place without underwriting
- The JSE has strengthened its powers to enforce compliance with the new requirements.
- A separate sector is to be established for cash shells, instead of suspending their listing immediately. If companies which become cash shells fail to acquire listable assets within six months their listings will be suspended.

Picture: JON HRUSA

One of the primary concerns of the JSE at present is to boost liquidity in the market. The draft addresses this concern by proposing more stringent minimum shareholder-spread requirements. It envisages that at least 25% of equity of a company should be held by at least 300 public shareholders.

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NEWS Blacks want discrimination

Apartheid the Sowetan 18/8/94 cause of strikes

THE current labour unrest had more to do with apartheid in the workplace than with wage grievances, speakers at a Black Management Forum summit in Witbank said yesterday.

BMF chairman Professor Wiseman Nkuhlu said labour tension would continue until the "large disparities" between black and white workers had been addressed.

British consultant Miss Terry Oakley-Smith agreed that apartheid in the workplace had to be eradicated before labour unrest would abate.

She said the answer lay in affirmative action that was correctly implemented.

"Talks about affirmative action make white male managers jittery, but it is a misunderstood term."

Oakley-Smith said business organisations should be more humane environments in which people would feel ac-

cepted. Research had shown that people's expectations from the new Government had not only to do with concrete things, but had a strong psychological aspect which included a definite need for the recognition of their dignity.

Nkuhlu said the disadvantaged had to be part of the managing of programmes aimed at their upliftment. (17b)

After 30 years of freedom many African countries had no capacity of their own for development programmes.

"It happened because their past upliftment programmes had been managed from outside by the Americans or the Britons," Nkuhlu said, adding that blacks should not just sit back and let whites do the managerial work.

Nkuhlu said it would be a disaster if blacks remained with political control while leaving the country's economic destiny in white hands. — Sapa.

Whites 'still on top' after first 100 days

TONI YOUNGHUSBAND
The Argus Foreign Service

LONDON. — White South Africans are still the winners under the new ANC-dominated government despite fears of affirmative action programmes and higher taxes, the Sunday Times claimed here. (176)

Little had changed in the country's first 100 days of full democracy. Whites were happy and blacks were not, the newspaper said. ARG 15/8/94

"Whites have hardly noticed that they are not in charge any more because in most cases they are still running the show.

"The civil service is still dominated by white male Afrikaners whose jobs are guaranteed for the next five years under the interim constitution.

"In the business world, whites remain unchallenged while many black workers continue to subsist on less than

R1 000 a month."

But while whites may be happy with President Mandela's strategies, blacks were growing impatient.

"Having overturned four decades of apartheid, they are anxious for some rewards. Instead they see the country's first black president as pussy-footing on policy and failing to deliver on promises."

The Sunday Times echoed a week of similar warnings from British newspapers all reporting a mood of growing black disenchantment with Mr Mandela's regime.

It was the president himself who set his government a target of 100 days to start its programme of reconstruction and development. That target had not been met.

The largest obstacle to progress, the Sunday Times observed, came from within Mr Mandela's own cabinet.

By AUDREY D'ANGELO
Business Editor

THERE is no "quick fix" for SA companies trying to improve their performance to meet new competition from overseas or to implement affirmative action, says Peter Schoon, managing executive of training and development at consultants FSA-Contact.

He says many companies are collectively wasting millions of rands on piecemeal training instead of realising that "people development takes time".

Some companies "suddenly decide they need to empower their employees, implement affirmative action, improve quality or focus on customer relations.

"They look for a training programme which deals with the topic of their choice, implement it and hope for the best.

"In most cases this shotgun method of training fails. Instead of changing their approach, companies become disillusioned with training and with change."

Schoon says training must be

'Shotgun' affirmative action on the skids

(176)

CT 8/8/94

based on clarity of focus and purpose for the business as a whole.

"International research has shown that it can take from three to five years to obtain positive, measurable results from the implementation of change.

"Before implementing a training programme a company must develop a clear strategic plan on where it is going and what must be done to achieve it.

"Training can then be directed at each identified intermediate change, following a structured process in line with the strategy to reach the ultimate goal."

Public servants come under fire from their Minister

CAPE TOWN — Government's plan for affirmative action in the public service had nothing to do with the announcement by the ANC, after an inter-regional conference at the weekend, that the party planned to rationalise the public service, Public Service and Administration Minister Zola Skweyiya said yesterday.

A comprehensive affirmative action plan was expected to be finalised by the end of the month, and he hoped it would be passed by Parliament and implemented before the end of the year.

He criticised white public servants for appearing to not appreciate their job guarantees, and for not being supportive of a new and restructured public service. Government had done enough to assure white public servants that their jobs were safe under the interim constitution.

He said the plan would concentrate on affirmative action promotion of blacks to higher positions in the public service, and the appointment of people from organisations such as non-government organisations, the trade union movement and the churches.

"The services of people outside government who made sacrifices for a democratic SA must now be recognised," Skweyiya said.

He reiterated that only the jobs and not the posts of sitting public servants were guaranteed under the interim constitution.

Biday

218194

DAVID GREYBE

"Some of the rights given to white public servants in the interim constitution were a sacrifice on the part of blacks, and this does not seem to be appreciated by them," he said.

Skweyiya said the ANC had honoured its part of the deal in guaranteeing the jobs of white public servants, and it was now up to them to embrace affirmative action within a restructured public service.

He criticised the Public Servants' Association (PSA) for applying to the Industrial Court for an interdict against government about ministerial contract staff, saying the issue could have been dealt with in the Public Service Bargaining Council. He challenged the PSA to state whether it supported the need for affirmative action in the public service. (176) (25)

Skweyiya said disparities in service conditions, including in some cases pay, between women public servants and their male colleagues also had to end. He said he was involved in discussions with the Finance Ministry on a financial package to correct the situation.

Skweyiya said government planned to hold a workshop with Cosatu and the ANC in about three weeks' time to discuss the future of the public service.



Black empowerment 'key to success'

BLACK empowerment was the key to the success of democracy in SA, Trade and Industry Minister Trevor Manuel said on Friday night.

Democracy also required a transformation of the country, and attaining the basic goals of the reconstruction and development programme.

Manuel was speaking in Johannesburg at Enterprise magazine's Black Business of the Year Awards banquet, at which advertising agency Herdbuoys was named overall winner.

"Black empowerment is not about

Business Day Reporter
transferring a few white assets into black hands. It is about enterprise — creating an environment which rewards excellence and spurs mediocrity," said Manuel.

Category award winners were: retail, Reggy's Pep Reef; transport, Chilwans Bus Service; building and construction, KwaZumba African Builders; service industry, Herdbuoys; financial services, XB Brokers; manufacturing, Mogodi Memorials.

Need for 'equal ⁽¹⁷⁶⁾ chance in SA'

CT 12/7/94

PRETORIA. — There was a "crying need" for affirmative action in South Africa, Minister of Trade and Industry Mr Trevor Manuel told British business leaders here yesterday.

"The worst case for this country would be the development of a notion that the economy is owned and controlled solely by a few white hands," Mr Manuel said.

He was addressing British construction, industrial and telecommunications executives led by British Board of Trade president Mr Michael Heseltine.

The group arrived in South Africa on Sunday for a five-day mission to promote investment and trade between the two countries.

Emphasising that affirmative action was a complex and sensitive issue, Mr Manuel said equal opportunities to control the economy should be created for all South Africans.

Training programmes should be accelerated and the correct training methods used.

A medium-term programme of five to 10 years was required for basic adult education, the re-training of workers and the development of vocational centres.

'Skewed'

"The longer-term programme will start with primary schools and getting the fundamentals into place."

Mr Manuel said South Africa had a "skewed" educational system dating to 1954 when then-minister of native affairs Dr Hendrik Verwoerd said blacks should not be taught science and mathematics.

"Getting the system right in the short-term will prove to be very difficult."

He said South Africa would not be able to sustain democracy unless it received significant foreign investment.

Responding to questions about the government's housing programme, Mr Manuel said tender regulations would give an advantage to companies using more labour-intensive methods.

He said the Reconstruction and Development Programme would be driven largely by the links that could be forged between the private sectors in South Africa and countries such as Britain. — Sapa

Struggle to place blacks

SELLO MOTLHABAKWE

RADIOKOM, the training division of computer company Centera, will go ahead with another intake of 40 black computer students despite the industry's reported reluctance to implement avowed affirmative action programmes.

Radiokom MD Kevin Greig said the company had struggled for months to place two out of 10 qualified computer operators with companies which had claimed to be affirmative action employers.

The two students were part of a group which since March last year had undergone six months' training with the Business Equipment Association's international city and guilds programme. After completion of the course eight of the 10 were available for employment. Centera employed four and ICL two. Greig said the last two were employed only after months of pleading with association member companies.

He said this state of affairs deviated from the original agreement reached with several companies within the computer industry to employ the students on completion of the course. It seemed most programmes just paid lip service to affirmative action.

Greig said this also proved the idea that black students were not interested in the engineering sector to be a fallacy. "They simply were not given the opportunity to become involved."

Call for responsible affirmative action

Star 15/6/94

Public Enterprises Minister Stella Sigcau took a strong stand yesterday on affirmative action in the public sector.

Sigcau told a news conference that employee profiles of public enterprises, especially at management level, were not representative of the country as a whole. (176)

Whites had to accept painful changes, Sigcau said, but added: "No white employee will lose his job because of af-

firmative action."

She said whites would still be promoted. "In this way it is intended to achieve the goals of affirmative action in a balanced and responsible way."

Sigcau also emphasised her department was giving priority to commercialisation.

"Commercialisation remains our priority. Privatisation should not be used to exacerbate unequal access to ownership and control in the economy." — Reuter.

Post office takes 'action'

PRETORIA. — The South African Post Office would fill 150 managerial positions with members of previously under-represented groups by the end of June, SAPO chief executive Mr Donald Masson said yesterday.

He said in the process of reincorporating the TBVC homelands, 18 new area managers would be appointed.

The affirmative action drive and SAPO's new emphasis on providing a postal service to all South Africans would be sufficient to secure the country's re-admission to the Universal Postal Union, a fact-finding UPU mission has found. (253)

Up to 500 000 new postal addresses will be provided each year. (176) CT 11/6/94

The delegation would recommend South Africa be re-admitted to the UPU at its congress in Seoul, South Korea, later this year, delegation members said at a media conference in Pretoria.

South Africa was expelled from the 187-member international postal body in 1979 in protest against its apartheid policies. — Sapa

New jobs for 'needy'

(176) ~~176~~ CT 11/6/94
MOST of the new appointments at the Medical Research Council will be drawn from "disadvantaged people", including black, coloured and disabled people and women as the MRC board applies its new policy of affirmative action.

A report in the newsletter MRC News said no employees at the council will be retrenched or forced to leave in order to achieve this goal. The MRC has accepted a policy

document concerning a 10-year plan for affirmative action within the council and the development of potential at black universities.

The goal is to enable disadvantaged groups to participate in the activities of the MRC to the extent that they will truly represent their respective population distribution.

This will be achieved over the next five years by active recruiting, training and development.

Strike threat by traffic cops

CT 7/6/94

(176)



By GLYNNIS UNDERHILL

TRAFFIC officers have threatened to strike again unless their grievances are redressed, while the station commander of Brackenfell provincial traffic police has been replaced following last week's strike.

Mr Ian Young was replaced by acting station commander Mr Eddie Harker following demands for his replacement by traffic officers last week.

Mr Harker said yesterday that it was "back to work as usual" following the shake-up.

Mr Young was working in a "non-traffic" job at the Cape Provincial Administration, he said.

Brackenfell provincial traffic police blockaded Wale Street and Albert Street in Green Point last week to publicise their allegations of corruption, nepotism and racism in the provincial traffic department.

Chief axed following first strike

Disgruntled municipal traffic officers held an "emergency meeting" yesterday to air their grievances, and hundreds have threatened to strike again unless their complaints are redressed.

Unfair labour practice and corruption was "rife" in the municipal Cape Town traffic department, angry officers claimed yesterday.

The assistant traffic manager at the Cape Town Traffic Department, Mr Peter Paine, said yesterday that he "refuted wholeheartedly" any allegations of corruption in the department.

Representatives from both the South African Municipal Workers' Union and the South African Association of Municipal Employees have formed a committee to document their grievances.

Deputy city administrator Mr Alan Dolby said that to date only "anonymous allegations" about the municipal traffic department had been made, and thus an inquiry was impossible.

Long-service municipal traffic officers claim that many work up to nine hours some days, while low salaries force them to work overtime.

Traffic officers were "pushed to the brink" to write out as many traffic tickets as they could to move up in the force, some claim.

The CPA and the National Education, Health and Allied Workers' Union (Nehawu) is holding a commission to investigate the grievances at the Brackenfell traffic station.

Doing business the right way

Star Weekly

definition of affirmative action? "It's as simple as doing business the right way," says John Sims, head of Project Reach in the US.

Sims has just visited South Africa to lobby corporate South Africa for support for this community development programme from Boston.

"But affirmative action is not just about putting disadvantaged people in visible positions, it should also touch your products, your marketing, your entire workforce and above all, these changes must also reflect positively on profits.

"You cannot be cavalier and just focus on one aspect of affirmative action. In the US, the companies with the best affirmative action records have done it this way.

"Project Reach is already committed to seeing 52 South African students through three years of university — all with grants from American companies so far".

Sims and the local representatives of Project Reach are now canvassing for local support from South African corporations.

He is quick to point out that affirmative action cannot be handed over entirely to schemes such as Project Reach, nor must it merely be

delegated down into the management hierarchy.

"Project Reach is only one of the tools available to companies, but affirmative action is a critical part of the business strategy.

"One problem facing affirmative action worldwide — new people have to be brought into companies at a time when the corporate world is downsizing.

"That's a challenge, but there are others that are perhaps more important. For instance, if you really care about your white management, you'll also train them for affirmative action. The imbalance may not be their fault and it's no good for the company to have people insecure in their jobs.

AFFIRMATIVE action

should be profitable, says US expert John

Sims. Johan

Bornman reports

"Tell white managers that if they want to grow within their company, they will have to learn how to work with people of all communities. Very importantly, they must learn how to make blacks and women feel special.

"They will also have to face up to non-traditional challenges and come up with creative solutions to brand new problems."

He said South Africa could learn a valuable lesson from America's mistakes in the '50s, '60s and '70s in Japan (The)

"We sent the gringo in to manage the subsidiary in Japan and didn't even afford the Japanese people the courtesy of studying their culture or consumer and corporate needs. Japan on the other hand became experts in American consumerism.

"The Japanese success story and the American failure is there today for everyone to see. Don't make the same mistake in southern Africa."

On poaching, Sims says: "It's no good to rob Peter to pay Paul, but in the short term it will happen.

"Victims should take credit for the good work they've done and advertise the fact that their employees are preferred by the market."

On South Africa's chances of getting it right: "We feel there is considerably more wisdom here. Also, the odds are good. Firstly, you have a majority that's disadvantaged. In America we were the minority. Your political system and Government is favouring affirmative action. In the US a lot of presidents were backing off the issue because of white support and resistance.

"Project Reach realises that leadership is not only based on what's taught in tertiary education and the organisation's total commitment is for an education with peer and mentor support, management and leadership skills, counselling and advice.

"Project Reach is basically about leadership development for a changing society."

Sadly, no South African companies are yet participating in the project. Of the 52 Reach people at university, 50 are there courtesy of Digital and two thanks to software firm Lotus, both American companies who have committed considerable resources to Reach.

Policy urged on affirmative action

ERICA JANKOWITZ

GOVERNMENT had to establish affirmative action guidelines as soon as possible to ensure black empowerment was not hijacked by organisations with their own goals, management consultant Richard Hall said recently.

He suggested existing bodies such as the National Manpower Commission and the National Economic Forum would be ideal arenas for the policy to be thrashed out. *BIDCM*

"We have to ensure that we don't just create a small black elite which benefits from affirmative action initiatives, leaving millions of unemployed people unable to crack the market." *216 194*

Hall, who recently devised an affirmative action policy for a multinational company with branches in SA, said it was in government's interest to look closely at black empowerment in its true sense. *(176)*

None of the players — including trade unions — was sure of how to tackle the issue. Companies should examine training needs.

However, Hall said government should sponsor skills training and establish a national skills base so that companies could recruit partially trained workers.

"It's impossible to burden companies with the entire training cost just as they're trying to get back into the global market."

Companies supplying niche markets and cottage industries should be encouraged as they were usually built on existing skills. Where potential growth existed, government should be prepared to contribute.

"If government wants to pre-empt those who will hijack the process for their own political ends, it must take the initiative now," he said.

Affirmative action ^{Bill 16/3/94} 'not needed in SA'

AFFIRMATIVE action as a means to achieve black economic empowerment was not the course SA should take because the fact that blacks were the majority itself secured this goal, lawyer and industrial relations expert Melatong Ramushu said yesterday.

Addressing the Black Economic Empowerment conference in Midrand, Ramushu said affirmative action, conceived in the US to alleviate the plight of blacks who were a minority there, should not be imported into SA for achieving black economic empowerment.

It could not apply in the context in SA, Ramushu said. "Blacks are in the majority in SA and if we are certain that a future government will be a majority government of the natives of SA, we must not be concerned with affirmative action or black economic empowerment in the context of affirmative action," he said. (17b)

Affirmative action had never been imported into African states that had fought for liberation.

Ramushu said if the post-election government was a government of the majority of the people of SA, that in itself would be black economic empowerment.

"This will be achieved by passing legislation that will ensure that blacks are actively engaged in the mainstream of the economy of SA. I am sure government will

THEO RAWANA

pass legislation in terms whereof government stands as a guarantee to black entrepreneurs who borrow money to enable them to engage in mining, manufacturing, wholesale, retail and service industry."

There were good examples of this in Taiwan, Malaysia and other countries.

Turning to the Bill of Rights enshrined in the interim constitution, Ramushu said the provision that every person had the right to life did not go far enough in that the bill did not state how this right would be maintained.

"To mention that every person shall have the right to life without guaranteeing the three basic needs, food, clothing and shelter, is meaningless. The right to these three basic needs can be realised if the Bill of Rights provides that there shall be the right to work," Ramushu said.

He said this meant the state should have a social responsibility to guarantee each citizen worked, and if there was no work, it should give an allowance to each unemployed citizen until work was provided.

On right of access to court, which meant every citizen's right to litigate, Ramushu pointed out litigation needed money. "I will extend this section by adding the following: 'The state shall finance those citizens without means to litigate'," he said.

Black professionals need real jobs, right now

Richard Day 2/13/94

THE fairytale scenario goes like this: a major SA company embarked three years ago on a programme of affirmative action and employed a sprinkling of blacks, some as trainees, some in professional roles. By now, the black employees have been accepted by their white colleagues, the corporate culture is more tolerant and sensitive to the diversity of this country and the black employees are grateful to the company for the opportunity and advancement.

So much for the fairytale scenario — reality is often harshly different. In the real-life scenario being experienced by many SA businesses, the results after three years of affirmative action initiatives have led to little social integration and a new cultural phenomenon: "management apartheid". Whereas management used to be all white, it is now stratified — white at the top, a few blacks in mid-management, and a large number of blacks in trainee and lower management posts. A disillusioned black professional described it to me as "SA Irish coffee — the top remains white".

Some of the black professionals who were recruited have left after relatively short stays, prompting

disillusionment among white staff who increasingly see black professionals as uncommitted, ungrateful, highly mobile job-hoppers exploiting the sellers' market.

Worse still, black professionals who leave, and even those who remain, are often cynical, saying the company was never really committed to change, was only window-dressing and that they "never really had a real job".

What started out as an ambitious, progressive strategy has turned into a failed experiment which has hardened attitudes on all sides.

I often meet black professionals who condemn employers that one would imagine to be liberal and socially responsible, while having nothing negative to say about conservative companies that have not yet dabbled in affirmative action. Simply put — those companies that have not implemented affirmative action have not made the classic mistakes that infuriate black professionals, while those companies that pioneered black advancement are criticised. To those who started with good intentions, it seems unfair and disillusioning. What goes wrong, and how can this

GILAD STERN

(176)

scenario be avoided?

The root of the problem always seems to come back to the issue of paternalism versus profitability. White managements feel they are doing black professionals (and the country) a favour by employing them. They use words like advancement, mentorship, training, development, equal opportunity, affirmative action, equity and a host of buzzwords which come from a noble motivation but are often poorly received. They convey a non-business message: "We are doing this to help you unadvanced, underdeveloped, disadvantaged, charity cases." The accent is on welfare and social reconstruction, rather than on business's only real bottom line — profit.

It would be better for a business to say to a black professional: "We want you to work for us because we believe you can make us more money. Let's get to work!"

Such a message acknowledges a black professional's value to the company now, and not at some

future date. It says: perform now, or move on. It says: we respect you for your professionalism and see ourselves as the recipients of your expertise. You are doing good work for the company, and earn a good salary in return for results, not for your black presence or for some expected future increment.

The focus here is on short-term objectives and results.

Objectors will say this is a short-sighted, heartless, capitalist policy which does not recognise that black people need to have opportunities to make up for the disadvantages suffered under apartheid.

Yes, there are millions of black South Africans who need education, advancement, mentorship and training. But there is a growing sector that needs nothing more than a real job with an immediate bottom-line performance requirement. Black engineers, accountants, retailers, computer persons and general managers want real jobs right now, not paternalistic speeches and "career paths".

There is a common perception that top black professionals are job hopping for ever-increasing salary packages. This is not true. Many black professionals complain they

are leaving their companies because they simply have nothing to do at work. Sounds unreal? Ask them about the endless trainee syndrome or the school from which one never graduates.

This does not mean companies should not train blacks. But what qualified black professionals need is what their white counterparts need — real responsibility in a real job, right now.

There is a lot that black professionals can do for a company in terms of access to new markets, product development, production management and so on.

You can assess if your company is on the right path by applying the paternalism/profitability litmus test. If the company is employing Monde for some vague future benefit to him, the country or the company, that is paternalism. If the company wants Monde to work flat out, adding measurable value right now and in the future, that is profitability. Profitability rewards achievement while fostering mutual respect. Black professionals win, and the company's bottom line wins.

□ Stern is Eden Africa Management Consultants MD.

LETTERS

'Open the Press to black owners'

MARCIA KLEIN

AFFIRMATIVE action was required in the ownership of large corporations and the awarding of government contracts to black-led Press groups, Nthato Motlana said yesterday.

Motlana, part of the consortium of black businessmen which owns a majority stake in the Sowetan, told delegates at the Financial Mail's advertising conference a free Press should be owned by "a reasonable spread of financial interests" (176) (773)

To date there had been an Afrikaans camp and an English camp. The recent entry into SA of Tony O'Reilly's Independent Newspapers group had been "a most welcome development".

SA needed a greater balance in the economy. This could be achieved through alliances "on the principles of sharing and growing. This was the route we took in getting control of the Sowetan." There should be "a very large black-led corporation. We need role models and must resist the debilitating sentiments which seek to keep black businesses as pavement businesses devoid of capital and skills. SA needs its own black Murdochs and O'Reillys."

Publications like the Financial Mail, Business Day and The Star had been negative about an emerging black middle class, which was threatening the white business structure.

Blacks had to have the guts to want to control a significant sector of the Press and ensure Press freedom, he said.

Government contracts had benefited Perskor in the past. Similar government support could ensure that black-led media grew quickly.

AFFIRMATIVE ACTION

No rushing in

In anticipation of the legislative calendar for the newly elected National Assembly, the ANC membership has been asked to accept a new model of affirmative action. (176)

The guideline, drafted by Albie Sachs, member of the ANC's Constitutional Department and lecturer at the Community Law Centre of the University of the Western Cape, seems most likely to become law, given its author's academic standing and influence.

The aim is to overcome the imbalances caused by apartheid by a "special measure" in law that is "principled and effective," while at the same time avoiding social conflict generated by resentment among whites faced with a "new form of discrimination and injustice, a vengeful form of juggling around with race quotas so as to threaten their livelihoods and security." The ANC membership is reminded of the proverb: "One man's meat is another man's poison." Recklessly applied, affirmative action will inevitably lead to a flight of capital, the destruction of the economy and international isolation, he concludes.

Sach's analysis of the problem starts with a definition of affirmative action that is deliberately flexible: it is a "legal measure to ensure black people and women and other groups who have been unfairly discriminated against in the past, would have real chances in life." When read in conjunction with the anti-discrimination rights in the Interim Constitution (Section 8), this would mean any South African who is not a young, white male heterosexual may have a solid case.

The ANC believes social peace will result from the implementation of a well-planned affirmative action programme because "entrepreneurial activity," combined with more candidates free to practise it, must result in real advances for the country's economy. Some SACP members are unhappy with this endorsement of capitalism.

Shying away from simple formulas to be applied in affirmative action, Sachs proposes seven guiding and basic principles. These "siblings" are the "principles behind the principles of affirmative action." Critics both in and outside the ANC have charged that some are mutually contradictory and impracticable. Others argue they represent the best achievable in the SA context. They are:

□ **Responsibility.** Not every form of injustice necessitates affirmative action. However, there are clearly two areas of SA life where a responsibility to intervene by the State exists, namely, the effects of racial and sexual discrimination. Noting legal tendencies in other countries for the protection of the physically disabled, Sachs warns that our country "should not become a nation of groups all walking around with calculators doing head counts and demanding special programmes for this group or that." This process would be endless, fragmenting on

CURRENT AFFAIRS

national consciousness and harmful to national unity; (176)

□ **Equity.** The objective must always be to ensure basic fairness. Affirmative action is about removing injustice, not about revenge, extortion or patronage. This means that goals and methods must be equitable;

□ **Inclusivity.** Those most directly affected, whether positively or negatively, must have the greatest say in how affirmative action should proceed, without government steam-rolling decisions from afar. The ANC however, insists that these must be guarantees of meaningful internal transformation. Trade Union and staff associations are to play an important role. One problem that does not arise is how to legislate government involvement in some cases and not in others. Evidently this is in potential conflict with the next principle ...

□ **Security of Implementation.** Principles and processes must be enshrined in the constitution and legislation and be beyond the individual whim of officials. Everyone must have legal certainty. The law should give every encouragement to voluntary forms of affirmative action, with the State setting the example. Independent tribunals will be set up to help set obligatory guidelines in "particular enterprises" and "intervene where commonsense and social responsibility get nowhere";

□ **Proportionality.** The speed of transformation, in businesses, would be influenced by: normal hiring and firing practice; average rates of staff turnover; genuine needs of rationalisation; and legitimate interests of productivity. However, none of these may block affirmative action. The ANC will not be satisfied with businesses holding a "vague sense of social responsibility. The whole enterprise must seriously commit itself to transformation";

□ **Accountability.** The process must be transparent, noncorrupt and accountable to public opinion, parliament and the courts; and

□ **Flexibility.** Sachs says "affirmative action works well if it is neatly tailored to the particular situation it is intended to deal with and takes appropriate account of the in-house culture of the enterprise being transformed (excluding, of course, the culture of racism and sexism). ■

THE history of apartheid has taught us that democracy is not about the state and business making decisions alone — it is about transparency, dialogue and broad consensus.

The situation we face today is so critical that only a Herculean effort by all the people of South Africa can drive us out of the mess and on to a growth path.

It is in this context that we must look at the issue of affirmative action.

Yet the mere mention of the term affirmative action in some circles throws up a host of negative responses — the lowering of standards, argue some managements, there go our jobs, say white workers, racism in reverse, shout white South Africans.

None of these outcries is warranted if one examines the ANC and Cosatu's position on affirmative action — which is underpinned not only by a moral responsibility to rectify imbalances but, more importantly, on developing the economy to meet the needs of all South Africans.

If we are serious about affirmative action and redressing past ills, it is imperative that we analyse why black South Africans and women do not feature in the higher echelons of the economy.

Secondly, we must examine the broad national and sectoral economic policies of the government and the private sector, and who controls the institutions of government and the civil service.

Instead of developing our full human-resources potential, employers and the government in the past inhibited the creative productive capacities of our people. This was done at the expense of growth and development in every sector.

The victims are not only the black population, but women, the rural community and the disabled. Our definition of affirmative action encompasses gender and all sections of the population which were robbed of the opportunity of participating in the economy on an equal basis to white males.

We are not advocating racism in reverse, neither are we calling for a scenario which will lead to declining growth and productivity levels or the lowering of competency standards. Our major focus is the developing of a vibrant econ-



JAY NAIDOO says the ANC's affirmative-action policy has as its aim developing the economy to meet the needs of all South Africans

Training for workforce is long overdue

SITimes 20/2/94
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omy through unleashing our full human-resources potential.

This is why affirmative action must be linked to broader restructuring of the economy and in particular education and training.

Equal-employment measures on their own are not enough; neither is the assertion that education measures can meet broad equitable objectives. Both these positions are underpinned by meritocracy, and here again are aimed at a select elite.

We are proposing a more strategic and fundamental assessment of the entire society with firm linkages with national and sectoral training and education, job creation and economic development. We have to look at employment opportunities at various rungs of the ladder.

The skills shortage we face today arose because apartheid policies deprived a significant section of our population of access to proper basic education — including literacy and numeracy. Our education and training policy seeks to rectify this.

Existing structures for training are limited in their perspective and scope to meet training requirements essential for economic growth. While we support industry-based training boards, we do not believe employers, with their poor re-

cord of training, will on their own introduce progressive changes. There must be equal representation by trade unions and employers on these structures.

The argument projected by business in favour of market-driven skills development and training falls flat if we look at what we have today — monolithic bureaucratic structures unable to meet the levels of skills required even under the limited dictates of the market.

Strategic planning linking economic development to human-resources development is the only way to go forward. This is the experience of many modern industrial economies from Japan to Germany and France.

We cannot wait for market forces to create the demand for particular kinds of skilled labour and then respond with training initiatives. In a ruthless world economies hinge on skills, flexibility of production, marketing techniques and the use of appropriate technology — not on a low, unskilled, commodity-based economy.

While companies are increasingly putting affirmative action on their agendas, it is worrying that their understanding of the issues is sometimes quite simplistic.

A survey published in Die Suid Afrikaan last year points out that employment equity

and affirmative action have become, to a large extent, public-relations exercises and window-dressing.

The survey further points out that, although there has been a general shift towards greater training and development expenditure for blacks, most companies lack clearly articulated training strategies.

Compared with international norms for training and development expenditure of six to eight percent of total remuneration, companies are only spending an average of 1,5 percent of employment cost.

Unless there is clarity among employers and some direction, corporate initiatives may be rendered inadequate and could result in similar failures as the US.

And there are many cases of companies implementing the kind of "tokenism" measures one sees in the US. This is of concern, as tokenism serves only to create divisions among the workforce and distorts our perspective on affirmative action and employment equity.

Our goal is to unify our workforces and communities irrespective of colour or gender and create a conducive environment where it would be possible for all people to be equipped with skills and have an open door to move up the career path.

This will require a firm commitment from business and the future government in taking up the challenge to provide resources to empower people and meet their basic needs.

Companies can no longer operate in the old mindset of unilateral decision-making. They cannot decide on their own what is best for workers or how they can train workers in what they believe workers' needs are. Excluding democratic worker-participation in decision-making is a recipe for failure.

We have to revitalise our workforce — we have to open doors and give it a stake in the economy.

Affirmative action is not a black and gender issue; it is about drawing in the disadvantaged sections of the population to participate in the economy from a position of strength.

□ Former Cosatu general secretary Jay Naidoo is an ANC candidate for the April elections.

Affirmative-action ogre

SI Times

3/4/94

Polls show that a majority of coloured people will vote for their former oppressor, the National Party. NAZEEM HOWA analyses the reasons

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WHILE there seems little doubt that South African voters will deliver an election victory to the ANC, significant support from the coloured community could see the NP emerging victorious in the Western and Northern Cape provinces.

In a supreme case of irony, indications from recent polls are that most of apartheid's two million "stepchildren" would prefer the NP to rule the Western Cape, even though it was that party that forced them out of their homes in terms of the Group Areas Act and stripped them of the vote.

Most of the coloured concerns have deep roots in the immediate past. Their support for the NP appears, in part, to be based on the marginally better lifestyle offered them under apartheid.

After all, many say, was it not the NP which protected their jobs by making the Western Cape a coloured labour preference area and also offered housing and education superior in quality to that offered to blacks? And will a new government dedicated to righting apartheid's wrongs not remove those qualified privileges?

Adding to their concerns is the issue of affirmative

action which NP spokesmen have warned will lead to blacks being advanced at the expense of coloureds.

Daily, so-called "affirmative action" job adverts appear in newspapers in Cape Town, but in a departure from the previous racist "whites-only" style, a new code has found its way into the advertising — "Xhosa-speaking".

Fuelling fears of what affirmative action could mean to the coloured community was the recent occupation by blacks of houses in Western Cape coloured areas.

There is considerable concern in political circles about how these concerns are being used by some political parties to promote divisions between coloured and black voters.

According to one political analyst, the growing preference for the NP is more of an indicator of anti-ANC sentiment than loyal Nationalist support. "It's somewhat of a case of better the devil you know than the one you don't," the analyst said.

Already close to Afrikaners because of their shared language and culture, the coloured vote was never a certainty for the ANC. Serious tactical errors committed soon after its unbanning served only to increase

coloured fears of their prospects under an ANC government.

A key tactical error was a misreading of the political sentiment in the Western Cape at the time of the ANC's unbanning, and the way in which prominent members of the UDF, many of them coloured, were swept aside in favour of (largely) black returning exiles and former political prisoners.

"The ANC thought this region was ready for an all-encompassing non-racial political movement, but residents were far from ready. We erred by closing down the UDF, which had always enjoyed significant coloured support," a member of the ANC Western Cape leadership admitted.

Allan Boesak, one of the more popular — and effective — UDF leaders only came into his own within the ANC structures after the personal intervention of Nelson Mandela. This in a region where coloured voters are thought to outnumber blacks by two to one.

But the pastor turned priest, too, has brought problems for the ANC.

Recent surveys reveal that Dr Boesak's chequered history has, in part, helped to alienate coloured voters.

Social anthropologists suggest that the deep religious nature of the coloured community has not really come to terms with his history.

The ANC appears to be aware of this. New advertising campaigns have been launched featuring several other prominent coloured leaders, notably Peninsula Technikon head Franklin Sonn and Union of Teachers' Association president Archie Vergotine.

The NP, on the other hand, has presented itself as a new party with a new vision and new policies. In courting the coloured vote, it has strategically used President de Klerk, who has been accepted by coloured voters as deeply sincere about his vision for the future.

A recent survey of the Western Cape found that 52,7 percent of coloureds polled favoured Mr de Klerk. Mr Mandela attracted the support of only 17,2 percent of those polled.

The NP has also dragged out its old red-baiting tactic of using the ANC's alliance with the SACP to draw coloured support from the ANC. Being a deeply religious community, many see the SACP alliance as a serious problem, a recent survey found.

Councillors attack ANC man

Municipal Reporter

GEORGE: — African National Congress local government head Thozamile Botha had exposed his ignorance by saying town clerks could be hired off the street, a delegate told the Cape Province Municipal Association Congress.

Plettenberg Bay councillor John Truter was reacting to a statement by Mr Botha that it was a myth that top municipal officials should work their way up through the ranks.

East London councillor John

Badenhorst said town clerks and treasurers had to have management experience. ARG 24/3/94

Town clerks were the custodians of law and order, by which councils had to operate. (17b) (2/3)

Mr Badenhorst rejected a suggestion by Mr Botha that top officials should change when municipal governments changed.

New local government legislation required town clerks to monitor the behaviour of councillors.

(News by C Sawyer, 122 St George's Mall, Cape Town).

Black professionals need real jobs, right now

By
Gilad Stern

GILAD STERN

THE fairytale scenario goes like this: a major SA company embarked three years ago on a programme of affirmative action and employed a sprinkling of blacks, some as trainees, some in professional roles. By now, the black employees have been accepted by their white colleagues, the corporate culture is more tolerant and sensitive to the diversity of this country and the black employees are grateful to the company for the opportunity and advancement.

So much for the fairytale scenario. — reality is often harshly different. In the real-life scenario being experienced by many SA businesses, the results after three years of affirmative action initiatives have led to little social integration and a new cultural phenomenon: "management apartheid". Whereas management used to be all white, it is now stratified — white at the top, a few blacks in mid-management, and a large number of blacks in trainee and lower management posts. A disillusioned black professional described it to me as "SA Irish coffee — the top emmahs white".

Some of the black professionals who were recruited have left after relatively short stays, prompting

disillusionment among white staff who increasingly see black professionals as uncommitted, ungrateful, highly mobile job-hoppers exploiting the sellers' market.

Worse still, black professionals who leave, and even those who remain, are often cynical, saying the company was never really committed to change, was only window dressing and that they "never really had a real job".

What started out as an ambitious, progressive strategy has turned into a failed experiment which has hardened attitudes on all sides.

I often meet black professionals who condemn employers that one would imagine to be liberal and socially responsible, while having nothing negative to say about conservative companies that have not yet dabbled in affirmative action. Simply put — those companies that have not implemented affirmative action have not made the classic mistakes that infuriate black professionals, while those companies that pioneered black advancement are criticised. To those who started with good intentions, it seems unfair and disillusioning.

What goes wrong, and how can this

scenario be avoided?

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The root of the problem always seems to come back to the issue of paternalism versus profitability. White managements feel they are doing black professionals (and the country) a favour by employing them. They use words like advancement, mentorship, training, development, equal opportunity, affirmative action, equity and a host of buzzwords which come from a noble motivation but are often poorly received. They convey a non-business message: "We are doing this to help you unadvanced, underdeveloped, disadvantaged, charity cases." The accent is on welfare and social reconstruction, rather than on business's only real bottom line — profit.

It would be better for a business to say to a black professional: "We want you to work for us because we believe you can make us more money. Let's get to work!"

LETTERS

Such a message acknowledges a black professional's value to the company now, and not at some

future date. It says: perform now, or move on. It says: we respect you for your professionalism and see ourselves as the recipients of your expertise. You are doing good work for the company, and earn a good salary in return for results, not for your black presence or for some expected future increment.

The focus here is on short-term objectives and results.

Objectors will say this is a shortsighted, heartless, capitalist policy which does not recognise that black people need to have opportunities to make up for the disadvantages suffered under apartheid.

Yes, there are millions of black South Africans who need education, advancement, mentorship and training. But there is a growing sector that needs nothing more than a real job with an immediate bottom-line performance requirement. Black engineers, accountants, retailers, computer persons and general managers want real jobs right now, not paternalistic speeches and "career paths".

There is a common perception that top black professionals are job hopping for ever-increasing salary packages. This is not true. Many black professionals complain they

are leaving their companies because they simply have nothing to do at work. Sounds unreal? Ask them about the endless trainee syndrome or the school from which one never graduates.

This does not mean companies should not train blacks. But what they should do is to ensure that their white counterparts need to have real responsibility in a real job right now.

There is a lot that black professionals can do for a company in terms of access to new markets, production development, production management and so on.

You can assess if your company is on the right path by applying the paternalism/profitability litmus test. If the company is employing Monde for some vague future benefit to him the country or the company, that is paternalism. If the company, that it surable value right now, adding measurable value right now and in the future, that is profitability. Profitability rewards achievement while paternalism fosters mutual respect. Black professionals win, and the company's bottom line wins.

□ Stern is Eden Africa Management Consultants MD.

Black professionals need real jobs, right now

R. Boy 2/23/94

THE fairytale scenario goes like this: a major SA company embarked three years ago on a programme of affirmative action and employed a sprinkling of blacks, some as trainees, some in professional roles. By now, the black employees have been accepted by their white colleagues, the corporate culture is more tolerant and sensitive to the diversity of this country and the black employees are grateful to the company for the opportunity and advancement.

So much for the fairytale scenario — reality is often harshly different. In the real-life scenario being experienced by many SA businesses, the results after three years of affirmative action initiatives have led to little social integration and a new cultural phenomenon: "management apartheid". Whereas management used to be all white, it is now stratified — white at the top, a few blacks in mid-management, and a large number of blacks in trainee and lower management posts. A disillusioned black professional described it to me as "SA Irish coffee — the top remains white".

Some of the black professionals who were recruited have left after relatively short stays, prompting disillusionment among white staff who increasingly see black professionals as uncommitted, ungrateful, highly mobile job-hoppers exploiting the sellers' market.

Worse still, black professionals who leave, and even those who remain, are often cynical, saying the company was never really committed to change, was only window dressing and that they "never really had a real job".

What started out as an ambitious, progressive strategy has turned into a failed experiment which has hardened attitudes on all sides.

I often meet black professionals who condemn employers that one would imagine to be liberal and socially responsible, while having nothing negative to say about conservative companies that have not yet dabbled in affirmative action. Simply put — those companies that have not implemented affirmative action have not made the classic mistakes that infuriate black professionals, while those companies that pioneered black advancement are criticised. To those who started with good intentions, it seems unfair and disillusioning.

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(176)

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are leaving their companies because they simply have nothing to do at work. Sounds unreal? Ask them about the endless trainee syndrome or the school from which one never graduates.

This does not mean companies should not train blacks. But what qualified black professionals need is what their white counterparts need — real responsibility in a real job, right now.

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□ Stern is Eden Africa Management Consultants MD.

LETTERS

New city planner was once retrenched by the council

ROGER FRIEDMAN
Staff Reporter

CAPE Town's new city planner is a former victim of the Group Areas Act who was retrenched by the city council and nearly emigrated to Australia when he could not find a planning job in the city.

Fulbright scholar David Daniels, 49, replaces Neville Riley who retires at the end of March.

"My vision for Cape Town is to make it one of the greatest cities in the world. But more important to me is dealing with the poverty and under-development. Poorer people should have their basic needs addressed," Mr Daniels said in a wide-ranging interview last night.

Initially he plans to focus on management: "There are several areas we can improve on because efficient management structures are crucial to maintain a vision."

Chairman of the council's technical committee for District Six, Mr Daniels is one of the two council nominees to serve on the District Six Trust that will deal with the reallocation of the controversial area.

"I started my career as a teacher at Harold Cressy when forced removals were just starting. And as a group areas refugee myself — we were thrown out of Diep River — I have always felt a very strong affinity with District Six."

After teaching for several years Mr Daniels joined the council's planning department in 1973 on a temporary basis before being retrenched in 1976.

He says of this experience: "We still have people employed on the temporary or 'hire and fire' basis, which is of great concern to me. Even people in our own department have no security. I intend to look at this."

After completing a master's degree at the University of Cape Town, he won a Fulbright scholarship to study for a second master's in planning at the prestigious Massachusetts Institute of Technology.

Still in the United States, he entered



David Daniels

a doctoral programme but decided he wanted to be a "practitioner, not an academic" and returned to the Mother City in 1981.

"I returned very fresh, hopeful and keen to make a contribution. It was quite a shock when I couldn't find a job so I taught in Mitchell's Plain for six months."

He decided to emigrate but a position at the Urban Foundation kept him in the country: "I am glad I stayed."

His work for the Urban Foundation included managing several self-help housing projects so his logical next step was an appointment in the House of Representatives where he ended up director of development responsible for projects throughout the country.

"The only downside was that I was working with only one section of the population, the coloureds."

Two years ago deputy city planner Jock Schoeman retired and Mr Daniels was back in local government.

As to the future and new local government? "There could be some dismemberment of the planning department but there will still be a broad need for planners in terms of setting the framework for the entire city."

Mr Daniels is married with two daughters and lives in Heathfield.

At least nine die in KwaZulu area

CT20/1/94

(176)

DURBAN. — At least nine people have been killed since Saturday in areas administered by the KwaZulu Police and the SA Police have reported another nine murders in Natal since Monday.

Two people were shot dead and another wounded at Umlazi township.

In Ntambanana, near Empangeni — the scene of political conflict at the weekend — an unidentified 26-year-old man was stabbed and beaten to death on Sunday.

The KZP attributed the killing to clashes between ANC and IFP supporters.

An unidentified 37-year-old woman was stabbed to death in the Ntodwane area of Ntambanana on Sunday.

In Mandini, near strife-torn Sundumbili on the Natal north coast, an

unidentified 35-year-old man was shot dead on Sunday.

Another man was stabbed to death in Sundumbili on Saturday and the KZP arrested two suspects.

In Osizweni, near Newcastle, Sgt Reuben Dlamini, 39, attached to the Correctional Services, was killed by attackers who robbed his policeman brother of his pistol a few minutes earlier.

● The bodies of four people were found in violence-torn East Rand townships overnight on Tuesday, police said.

Two men were found shot dead before dawn yesterday morning in Vosloorus and Thokoza. Police earlier recovered the bullet riddled bodies of two others in Kettlehong's Mavimbeia and Maboya Streets. — Sapa

Affirmative action fears boost unions

ERICA JANKOWITZ

THE marked growth in membership of white-collar unions could be attributed to increasing insecurity of tenure in clerical and lower-level management ranks as a result of affirmative action programmes, Andrew Levy & Associates said in its annual report for 1993. **B/Dan 21/11/94**

In its overview of industrial relations developments the consultancy said previously insulated professional staff were facing retrenchment and restructuring, forcing them to join unions or form staff associations to gain some protection.

The report noted that two major union federations were poised to woo would-be white-collar members. **(17b) (11/11/94)**

Their traditional home — the Federation of SA Labour Unions (Fedsal) — grew by more than 50 000 members last year to nearly 280 000, with the affiliation of four unions. Fedsal changed its constitution to include more blue-collar unions, but the majority of its new members were employed in white-collar positions.

Cosatu expanded its recruitment areas by looking at establishing a union aimed at protecting clerical and other professional workers' rights. Affiliates, such as the NUM, made inroads into expanding membership by renegotiating recognition agreements to include higher category workers. Cosatu's membership grew by almost 80 000 to nearly 1,3-million, mainly as a result of the SA Democratic Teachers'

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Unions

B/Dan 21/11/94

From Page 1

Union's affiliation

The Andrew Levy & Associates report noted that Fedsal had moved closer to Cosatu "on issues of common interest", as well as in areas of recruitment, but the two federations had dismissed speculation about a possible merger. **(17b) (11/11/94)**

Fedsal was at pains to dispel the notion that it was an exclusively white federation, saying about 30% of its members belonged to other race groups. This was expected to increase with the advent of affirmative action programmes promoting blacks into

white-collar positions.

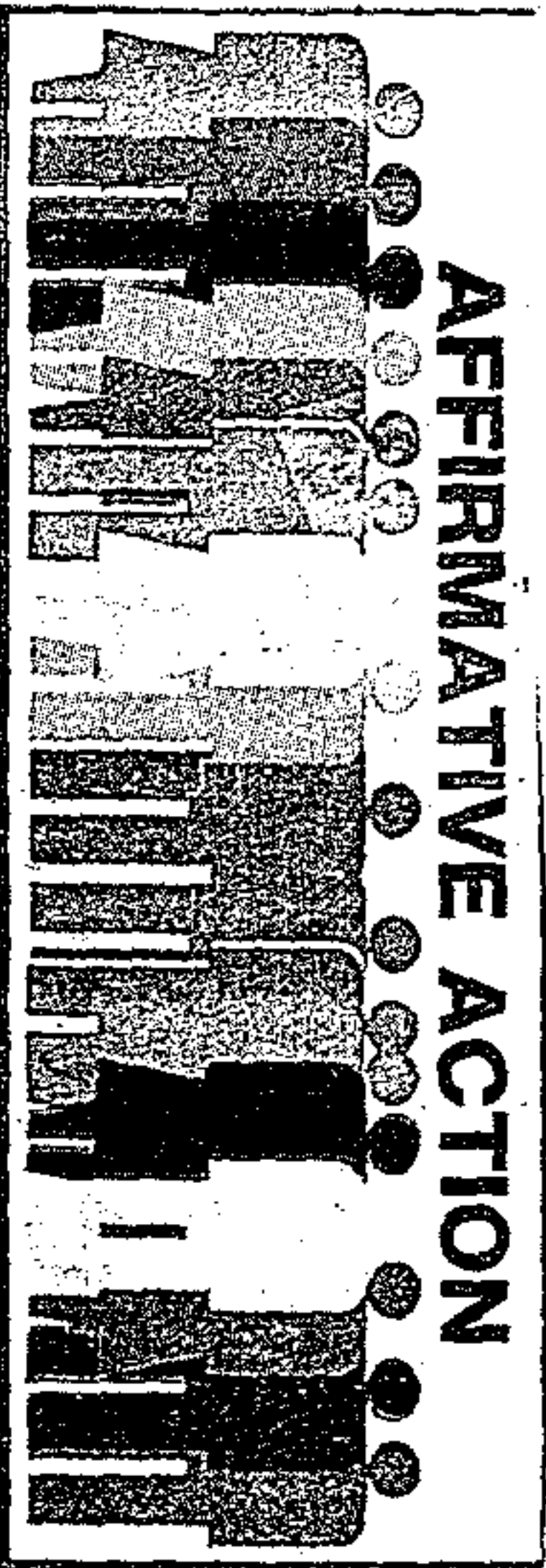
The report also looked at other "markets" targeted by unions for expansion. These were mainly in the public sector, including municipalities, educational institutions, the police and army.

By the end of last year only 22,9% or 3,4-million workers belonged to unions, up from the 2,9-million at end-1992 and dramatically up on the 700 000 in the late 1970s. The vast majority of unionised workers — 2,89-million — belonged to the 194 registered SA trade unions.

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AFFIRMATIVE ACTION

"To millions, affirmative action is a beacon of positive expectation. To others it is an alarming spectre which is viewed as a threat to their personal security and a menace to the integrity of public life." — Nelson Mandela.

"South African business does not have a choice on the question of affirmative action. The only choice is whether affirmative action is achieved voluntarily or not." — Christo Wiese, Pepkor chairman.

Today The Argus launches a four-part series of articles on **AFFIRMATIVE ACTION: What it means — and will it work?** The series is designed to discuss this controversial concept and attempt to clarify the issues. You will read the views of some of South Africa's top human resource managers, business leaders, academics, management consultants, clinical psychologists and others.

Opportunity knocks

How do you define Affirmative Action?

Although the ANC, for example, use the term broadly, I would define affirmative action as a means of overcoming the effects of past or current barriers to equal employment opportunity through a broad variety of activities in areas such as selection and recruitment, development and training, promotion practices and organisational culture.

Affirmative Action is a process by which an organisation seeks to increase the opportunities of formerly excluded groups without recourse to tokenism and without unnecessary 'tramping on' the expectations of COMPETENT white men.

Is overseas experience relevant to the South African situation? Are overseas programmes successful?

I think that the relevance of overseas experience lies in that of countries such as France and Canada, or even the US, rather than in the experience of countries such as India, Malaysia or Sri Lanka. I am not convinced that the examples of India, Malaysia and Sri Lanka are examples of affirmative action.

Certainly, the processes which occur in these countries are not called affirmative action. Admittedly, they are examples of attempts to redress inequalities. However, as examples of attempts to redress inequalities, these countries have gone the route of preferential treatment which, in my opinion, is different from affirmative action, which is rather a process of redressing under-utilisation in terms of both current vacancies (recruitment or promotion) and the percentages of various groups having the opportunity to develop particular competencies.

Many people in this country believe that affirmative action in America has failed. This view is not substantiated by the evidence. When volun-



LINDA HUMAN joined the University of Stellenbosch Business School in October, 1991. She was formerly at Wits Business School and has been director of the Centre for Af-

firmative action and associate professor at the Graduate School of Business, University of Cape Town.

She is co-author, with Karl Hofmeyr, of *Black Managers in South African Organisations* (1985), and editor of *Educating and Developing Managers for a Changing South Africa* (1991).

Professor Human has extensive research and consultancy experience in the field of management development with a partic-

ular emphasis on affirmative action/equal opportunity programmes, and on managing diversity and prejudice. She is on the international advisory board of *Management Learning*, an international management journal, and is the editor of the *South African Journal of Business Management*. She is also a board member of the *South African Literary Journal*.

She talks to GORRY BOWES TAYLOR, Staff Reporter.

Goals relate to external and internal recruitment (that is, recruitment from outside the organisation and promotions) and are based on actual percentages of people available in the labour force (for example, "as 30 percent of all engineers in this region are black, and as this company currently employs no black engineers, x percent of engineers recruited by this company will be black until reasonable representation is achieved").

Goals are thus based on availability statistics and relate to positions which become vacant. Goals also vary from position to position, according to backlog and availability. Moreover, organisa-

tions have to show good faith efforts to hire and promote such qualified people as are available in the labour force. Thus, if qualified people are not available, a failure to achieve goals is not penalised.

The South African situation also requires realistic numerical goals based on work-force requirements. Without them, business, as the saying goes, goes on as usual, and the barriers to real equality of opportunity remain in place. Organisations should also have a responsibility to increase the numbers of blacks and women in those qualified job categories in which they are currently under-represented.

Apart from facilitating an assessment of progress, such numerical goals serve a number of important functions. If realistic, and implemented seriously, they place organisational members in a position in which they are forced to face subtle or indirect entrenched discrimination in a meaningful way. Many of our current human resource systems, or at least the implementation thereof, are (often unconsciously) biased against blacks and women.

The setting of realistic targets based on workforce plans can facilitate a reassessment of policies, procedures, and practices which would otherwise not have oc-

urred. Creating a situation in which managers have to give serious consideration to the human resource component of their departments can also lead to the better utilisation of all human resources and better people management generally.

Behind the numbers, however, there must be a commitment to the qualitative aspects of human resource management — to genuinely developing those people who constitute 'the numbers', to creating an environment in which both internal candidates and new recruits can develop and progress, to eradicating racism and sexism, and to creating integrated and consistent methods for dealing with issues of equal opportunity.

Will affirmative action legislation be passed? What form will it take?

A number of major players in South Africa have made statements supporting the principle of legislation. Since such legislation will raise expectations among the groups to whom it would apply, it is important that it be practical and effective.

Detailed legislation, which is found in Australia, some Canadian states and in the draft Namibian statute, requires that employers above a certain size commit themselves to equal opportunity programmes, audit themselves and put together plans and programmes (with timetables and goals) to overcome discriminatory practices and artificial barriers and to prepare regular reports which monitor conditions and progress.

Upon implementing affirmative action, should a company assume that white employees only have fears and that black employees only have expectations, or that fears and expectations are common to all?

It is a dangerous assumption that blacks only have expectations, because it assumes that whites have realised all their dreams. On the other hand, blacks have a lot of fears related to their past experiences on affirmative action. They need assurances that there will be no political-inspired but meaningless promotions and advancement. It would therefore be safe to assume that all employees, irrespective of colour, share both fears and expectations.

To what extent are black professionals already feeling guilty about their achievements under affirmative action programmes?

Given the huge focus by companies on affirmative action, resentments particularly from threatened members of staff — have led to affirmative action beneficiaries feeling uncomfortable about the recent opportunities in the corporate world. Malicious compliance, and outright sabotage, has created a political minefield which black professionals must navigate.

Should qualifications for affirmative action assistance be based on race or need?

There is a trend developing towards the acceptance that, for affirmative action to deliver the goods, it will need to go beyond racial considerations. To ensure that affirmative action is inclusive rather than exclusive, it would be better to have criteria that are based on need.

Inevitably, given the historical facts, more blacks would qualify for affirmative action assistance than other race groups. But the other racial groups who have not been fortunate would also qualify, thereby ensuring that affirmative action does not polarise the different races.

Affirmative Action in Corporate South Africa by Phinda Mzwakhe Madi (Juta)

Will standards inevitably drop as a result of affirmative action?

It would depend on whether a company's affirmative action programme is dictated by business or other considerations. In the case of the latter, it is inevitable that standards would drop. The only way, therefore, to maintain and enhance standards would be to ensure that the company's affirmative action programme is driven by business considerations.

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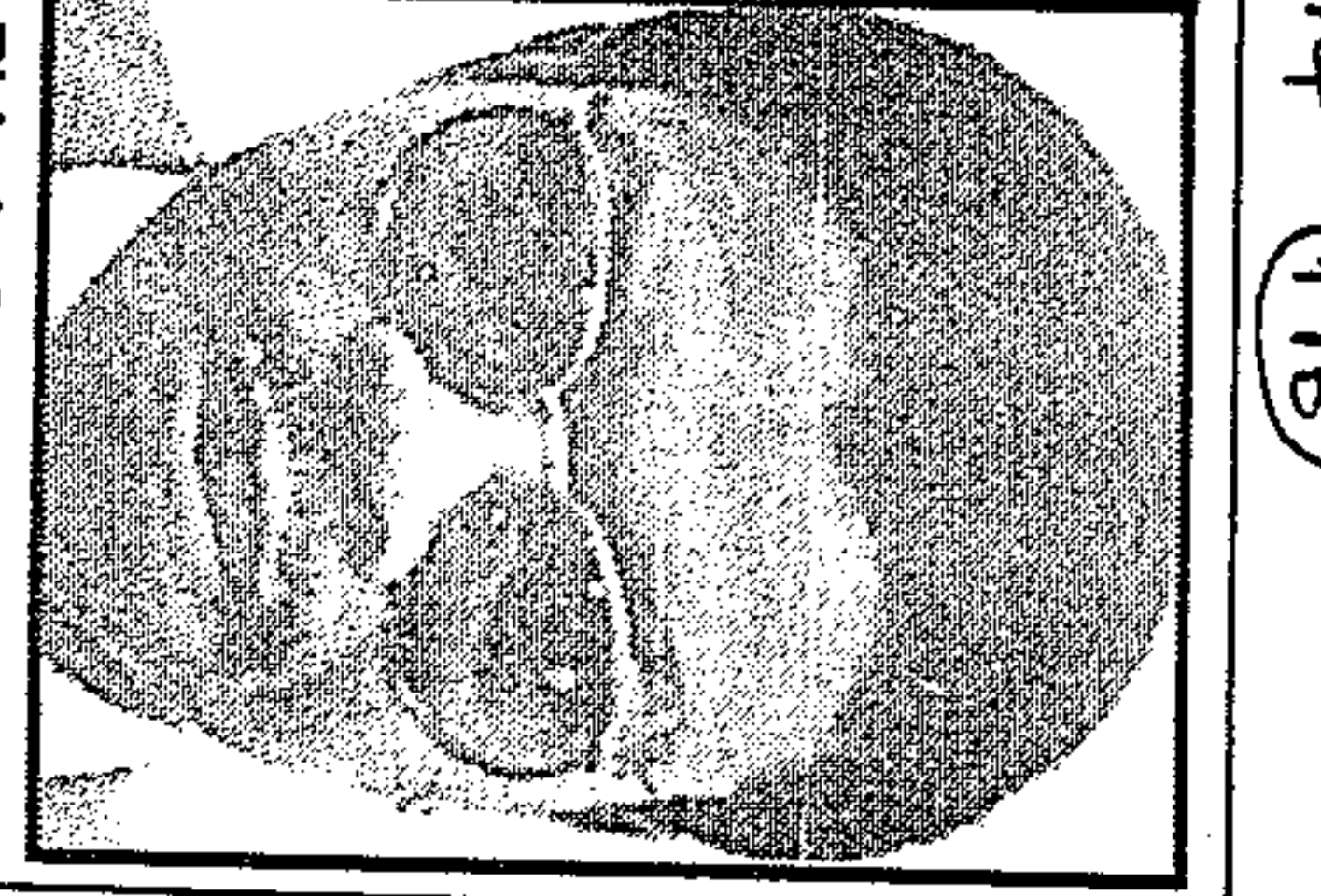
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PHINDA MZWAKHE MADI holds a BProc degree plus two diplomas in business administration. Over the past six years, half of which he spent in the legal profession and the rest in corporate banking, Madi has extensively researched the emotive issue of affirmative action and been a consultant to the private sector. He is currently an in-house consultant to a major financial institution, project-managing their affirmative action programme.



Phinda Mzwakhe Madi

Affirmative Action and the Development of People — A Practical Guide by Linda Human (Juta)

Push for affirmative action laws

R. Day
THEO RAWANA

THE Black Management Forum would meet Labour Minister Tito Mboweni soon to drive home its case for specific affirmative action labour legislation, the forum said at the weekend.

BMF organisational transformation head Mpho Makwana said it emerged at the forum's AGM in Durban last month that there was a difference in vision between it and Mboweni in regard to affirmative action legislation.

"Mboweni feels there should be no 'stand-alone legislation' for affirmative action and that it should be built into an existing law.

"We told him that arrangement would not work for SA," Makwana said. "We need to take examples from the UK and the US. In the US there is a civil rights law which empowers 15% of the population. In SA 80% of the population needs to be empowered — and that cannot be achieved

through mechanisms worked into existing legislation." 5112194

SA needed to have legislation compelling companies to embark on affirmative action programmes.

"Looking at the Zimbabwean experience, we see the results of a country which focused on the public sector and thought it would work that way. "It did not work; and 15 years after independence, Zimbabwean companies are still white at the top," Makwana said. (176)

He said it had been resolved that the benchmarking mechanism, by which companies would be monitored on their performance regarding affirmative action programmes, should be launched. "The launch of the programme, which has been a concept up to now, will be marked by letters written to companies calling

on them to open themselves to the benchmarking programme.

"We are going to monitor firms' performances and show them what the ideal situation should be. We will be setting standards and by the next BMF AGM in November next year we will be able to rate the performance of each company."

Earlier this year the BMF, asserting the "dramatic underperformance" of the SA economy stemmed from over-reliance on a "diminishing pool of white people", published its affirmative action blueprint.

It called on business to set achievable quota targets, applied at a national level and legally enforceable. It set the year 2000 as the target date by which 80% of all trainees, 70% of supervisors, 50% of junior managers, 40% of middle managers, 30% of senior managers, 20% of executive directors and 30% of non-executive directors should be black.

'SA needs more black professionals'

176

ET 6/12/94

SOUTH AFRICA's development over the next generation would depend on its ability to generate black professionals to participate in the reconstruction and rejuvenation of public and private institutions, Public Service and Administration Minister Dr Zola Skweyiya said yesterday.

Addressing a World University Service education workshop in Cape Town, he said whites would continue to contribute their skills to public and private enterprise, but South Africa's reconstruction could not succeed on their efforts alone.

"The scale of change called for in the RDP entails a massive expansion of both public and private enterprise that can only be led by a massive infusion of new talent — black talent — with competitive skills and training that span the professional and managerial spectrum."

And if South Africa was to develop its economy and enterprise, it would need a mix of workers.

"Neither the aspirations of the RDP nor long-term, sustainable economic growth will be achieved without massive expansion of black professional talent."

South Africa had to formulate a strategy to generate the half-million or more black professionals needed over the next generation, Dr Skweyiya said.

"It may be necessary to strengthen and expand existing tertiary institutions, or, perhaps, to create new ones. But a major increase in capacity is needed." — Sapa

Black group listed today

Own Correspondent

JOHANNESBURG. — Black economic empowerment takes a further step today when Kilimanjaro Investments is listed on the JSE in the beverages, hotels and leisure sector.

Kilimanjaro Investments, owned by Soweto businessman Richard Maponya, holds 89% of the issued shares of Kilimanjaro Manufacturing, which has soft drink manufacturing and distribution rights in the East London/Border region.

A further 7% and 4% is held by Sunecrush and Coca Cola respectively.

Kilimanjaro Holdings has placed 2,5-million preferential shares on offer to staff and business associates at 25c each, and a private placing of 3-million new ordinary shares of 25c each at 250c per new ordinary share.

Sunecrush has fully underwritten the offer of 5,5-million ordinary shares.

Following the preferential offer and private placing, the directors' holding in Kilimanjaro has been reduced to 79% from 100%, with staff, business associates and small investors holding the balance.

Kilimanjaro Manufacturing would also be managed by Sun-

crush in terms of a management contract.

A spokesman for sponsoring broker Martin & Co said the offer had been fully subscribed, and there had been strong demand for equity.

He said Kilimanjaro was well positioned to benefit from the economic upturn in the East London/Border region.

He noted that the region, which was one of SA's most depressed, was set for an upturn.

He said Kilimanjaro did not have to contend with Pepsi-Cola, which recently returned to SA and was concentrated mainly in the PWV area.

CT 7/12/94

(176)

SABC drives to retrench white

AN affirmative action programme by the SABC will see blacks occupying half of all staff positions within three years, and the corporation is also planning a new programming schedule to focus on regional needs.

Speaking at a hearing of the Independent Broadcasting Authority (IBA), SABC chief executive Mr Zwelakhe Sisulu said about 730 employees, mostly whites, were to be retrenched next year. The retrenchments would be part of the

SABC's goal of "increased cost efficiency".

Another 550 positions held by whites would have to be filled by blacks to achieve the affirmative action target.

The staff cuts are part of a thorough-going revamp of the broadcaster in preparation for its role as a public broadcaster, broadcasting news, entertainment and education in all 11 official languages.

Mr Zwelakhe's assistant, Mr Gert Claassen, said the staff cut would save the SABC R33 million in 1995, and eventually R73m.

The 10% budget cuts would realise R23m, rising to R30m.

This meant an increase in the SABC's production budget of R65m in 1995 and eventual savings of R149m.

Mr Sisulu said the reallocated funds would be pumped into music, variety and local drama programmes.

The SABC proposed local content measured in time on television, be increased from 40% on its channels to 60% over the next three years, Mr Sisulu said.

The SABC would also sell off assets, starting with the immediate sale of a piece of land at Parow in the Cape.

Sketching the proposed schedule revamp, Mr Sisulu said the SABC wanted to retain its three television channels but it would cater for all 11 language groups.

He said the closure of one channel would cost about R300m and would "add massively to the cost of public broadcasting".

The SABC was subsequently applying for three television broadcast licences. The

first two channels would broadcast on the current TV1 and CCV channels.

The channels would use all 11 official languages at different times.

The first would have a strong emphasis on "quality information and education".

The second would offer a "wider information-recreational mix".

The third channel would be directed at urban areas. It would be English and would feature entertainment and high profile sporting events.

ET 9/12/91

Start

Expert gives guidelines for approach to affirmative action

(176) 21/12/94.

EMPLOYEES or unions cannot demand the introduction of affirmative action in companies in terms of legislation and the interim constitution, says industrial relations consultant Francois van der Merwe.

Writing in the latest Contemporary Labour Law, Van der Merwe said individuals demanding affirmative action promotions or appointments would also fail in any legal action.

Although employers could refuse to introduce affirmative action until legislation was introduced, Van der Merwe did not advocate stalling the process as, he said, unions might well bring such a demand to the bargaining table.

And, in terms of the constitution, government would be well within its rights to pass affirmative action legislation as long as it complied with existing provisions.

Van der Merwe said that, contrary to some commentators' beliefs, little had changed "concerning rights and obligations as far as affirmative or corrective action of some sort in the workplace is concerned".

This he attributed to constitutional provisions allowing differentiation which was considered fair, although

ERICA JANKOWITZ

no definition of what constituted "fair differentiation" was provided.

In addition, the constitution made provision for legislative measures to enforce affirmative or corrective action, but these could take some time to introduce.

The constitution also guaranteed fair labour practice as contained in the Labour Relations Act, which covered most employees.

Van der Merwe warned that courts had tended to shy away from interfering with management prerogative — and staff selection was deemed to fall within this category — leaving the way clear for the introduction of affirmative action policies.

However, it was in the implementation of such policies that companies could be accused of unfair labour practices. Employers should therefore be aware of:

- Blatant discrimination, including the retrenching of workers of a certain race group to replace them with others of a different race group;
- "Grey areas" should be tested to see whether they complied with constitutional provisions; and

Fair practices such as creating new posts or training previously disadvantaged individuals.

A recent FSA-Contact survey showed there was a marked increase in affirmative action appointments at senior management level, with blacks representing 18% of managerial staff this year compared with 3,5% in 1993.

Asian senior managers increased from 4,5% of the total to 14% in the same period. This was accompanied by a drop in white representation from 91% in 1993 to the current 68%.

The survey showed that 84% of respondent companies had implemented some form of affirmative action programme, well up on the 74% last year and 58% in 1992, showing a concerted effort by employers to redress past imbalances.

Most had opted for a formal programme. A minority, however, had chosen to tackle the issue through informal channels.

Nearly half middle management posts were now held by blacks and Asians in contrast with 31% last year, with a concomitant decline in white middle managers from 69% of the total to 51%.

Pressure mounting, says Zimbabwe businessman

'Step up affirmative action'

Business needs to make affirmative action a priority in years to come or risk mounting pressure from the underprivileged black majority, according to leading business representatives.

President of the National African Federated Chamber of Commerce Joe Hlongwane said yesterday although progress had been made in 1994, a new plan was needed to ensure upward mobility of black business management.

"Not enough is happening — the old spirit of wanting to hang on to things is still there," Hlongwane said.

A united effort from business, labour and Government was needed to mastermind a plan for speedy implementation of affirmative action programmes.

"People are looking for changes at management level, not just in public relations," Hlongwane added. However, despite the urgent

need for policy changes, affirmative action legislation would be disadvantageous to business success.

Hlongwane said such legislation would lead to inefficiencies within the business community. Instead, Government needed to create an "enabling business environment" to effect change.

President of the Zimbabwe National Chamber of Commerce, Ted Makoni said South Africa had made a reasonable start in implementing affirmative action since the elections.

However, the "Zimbabwean experience" showed that unnecessary delays in pursuing a consistent affirmative action programme could hamper economic development.

"They've (South Africans) made a good start, but they'd better not waste a moment longer because pressure is mounting," Makoni said.

"If one loses any more time, then the pressure begins to catch up with you. Once that happens, business is bound to react more to pressure than to any form of proper planning," he said.

He said Zimbabwe had "left it rather late", and was attempting to hurry change without unsettling the business environment. Despite the backlog, affirmative action legislation would be counter-productive.

"For us to call for legislation would be retrogressive," Makoni said.

"We strongly advise against such a resort, because then policy becomes something dictated from outside — and that causes problems," he said.

On unbundling, Makoni said bottom-line profits would benefit from allowing new entrants on to the commercial stage. Large companies should off-

load certain functions on to willing players who were eager to take part.

"One should not look at offloading (unbundling) as a sign of trouble. It's actually a way forward to expand the business base by involving other players," Makoni said.

Eighty-four percent of South Africa's public and private companies now have some form of affirmative action policy, compared with 74 percent last year, according to FSA-Contact's Harriet Webster.

She said yesterday 57 percent of companies had embarked on a formal affirmative action programme, 27 percent were operating an affirmative action programme but 16 percent were doing neither.

"In comparison with statistics collected a year ago, this is a concerted effort," Webster said. — Sapa.

BUSINESS Only a half percent increase in the number of black managers this year

Tokenism rules in many firms

By Mzimkulu Malunga

A FACE VALUE, it appears as though affirmative action really took off this year. Many newspapers and magazines have been publishing lots of pictures of people appointed to various senior positions in the corporate world.

In most instances, companies do not mind paying artificially high salaries to get a black face to show in their annual reports.

However, figures compiled by the Black Management Forum show only a half percent increase in the number of black managers in the corporate world this year.

At the beginning of the year, only three percent of managers in this country were black.

At the end of 1994, the latest figures from the BMF suggest that black managers make up only to 3,5 percent of the total.

Companies like Eskom are leading the pack with an eight percent hike in their number of black managers.

Out of the half a percent hike in black managers in corporate South Africa, six percent of them are female, says head of BMF's organisational transformation division, Mpho Makwana.

Comfort zones

Many companies have been playing a numbers game while at the same time they are searching for "comfort zones" so that they appear committed to affirmative action, he says.



Many companies have affirmative action policies but nothing is forthcoming on the delivery side, says Mpho Makwana.

says Makwana.

BMF, he says, still favours legislation to drive affirmative action and to stop companies from continuing with win-dow-dressing.

"There is no way we can continue paying people three times more than they are worth as this has a bearing on the country's resources.

workable affirmative action programme for South Africa can be found. Makwana says they will be meeting Labour Minister Tito Mboweni early in the new year to explore workable affirmative action legislation for South Africa.

Sanctions and incentives

When such a legislation is being drafted,

(17th)

ACTION NOT

AFFIRMATIVE

Companies just

window dressing:

by Mzimkulu Malunga

BMF is looking to a situation where legislation will give birth to a statutory body which will oversee affirmative action as well as formulate punitive measures for companies that fail to comply.

Blacklisting of companies that shun affirmative action and denying them government contracts are some of the sanctions that BMF is proposing.

On the incentives side, the organisation suggests presidential awards, tax incentives and giving those implementing affirmative action first preference when it comes to the awarding of government contracts, said Makwana.

To supplement legislation, the BMF has put in place measures which are aimed at encouraging companies to introduce affirmative action at their workplaces.

The most notable of these methods is the Progressive Company Award.

This award is bestowed on a company that has shown outstanding commitment to affirmative action in any given year.

The award has given some sense of legitimacy to those who have received it in the past.

In addition to having an affirmative action policy in place, companies will now be required to have good relations with the workforce, have worker participation as well as systems like profit sharing schemes.

The number of black managers in top positions, the influence they wield and staff turnover will now greatly influence the committee deciding on the the future winner of the award.

Asked whether affirmative action did not encourage job-hopping by black managers as companies tend to scramble for the few skilled blacks on the labour market in order to meet their targets, Makwana gave a mixed response.

He suggests two possible causes for job-hopping.

One is that there are some black managers who get caught in the dangerous temptation of selling their labour to the highest bidder with a narrow motive of just making more money without paying attention to their career development.

Job-hopping

On the other hand, there are those who job-hop because of the hostility they encounter in companies generally.

"You find a situation where once a black person comes in, they make sure that no white employee reports to him, creating a mini bantustan.

Alternatively they give black managers a big office without giving them specific tasks or a budget, so they end up being frustrated."

For instance, says Makwana, one company appointed a black manager without giving her a job description or

rate South Africa have affirmative action policies, nothing has been forthcoming on the delivery side.

One of the dangerous practices in big business's search for comfort zones is that many do not mind paying blacks three times more than they are worth, just to get a black face in their midst,

whether the person they are bringing in adds value to the business.

"They are just happy to have a black face," he says.

After studying affirmative action programmes in a number of countries ranging from Canada in the west to Malaysia in the east, the BMF is convinced that a

there must be a balance between sanctions and incentives, he says.

"We are not advocating the jailing of chief executives because they failed to effect affirmative action. What we are looking for is a balanced approach that will make the programme organic," he says.

It has also reflected well on their reports over and above enhancing their image in the broader community.

The criteria for the Progressive Company Award is currently undergoing amendments to encompass broader issues and ensure that companies try harder to win the award.

even a letter of appointment. To make matters worse, the managing director of the company did not even know she would fill the position.

Makwana says BMF is exploring a number of options which, once formulated, will go a long way in minimising job-hopping.

BMF changes structure

By Mzimkulu Malunga

THE Black Management Forum is likely to structure itself into a company soon.

The organisation has structured itself into four core business areas to steer it as a viable business not dependent on donor funding.

The new key business areas are organisational transformation, management development, placements and education.

BMF's head of the organisational transformation division Mpho Makwana says this was necessitated by the changing situation in the country.

The new structure of the organisation has to strike a balance between income generation and development, he says.

Makwana says even if BMF finally decides to register as a company, it will remain membership-driven to cater for its 3 500 members as well as 103 associate members.

The division Makwana heads aims at correct-

ing the situation where the top echelons of business in this country are occupied by whites, while blacks who comprise over 80 percent of the population, languish at the bottom.

"We want to reverse what has come to be known as the Irish coffee syndrome in the corporate world," he says.

He says the expression "Irish coffee syndrome" comes from the observation that in corporate South Africa the top is white the same way as the Irish coffee cream while the rest of the coffee, which is black, is at the bottom.

Currently when blacks are appointed to top positions, says Makwana, they are forced to conform to white practices and his division seeks to change that syndrome.

On the other hand the management development division identifies and formulates advancement programmes for junior, middle and senior managers.

In addition to the Joint Management Programme which the BMF runs in conjunction with Nafec and the Paris Chamber of Com-

merce, the organisation has management advancement programmes with Wits University and Unisa.

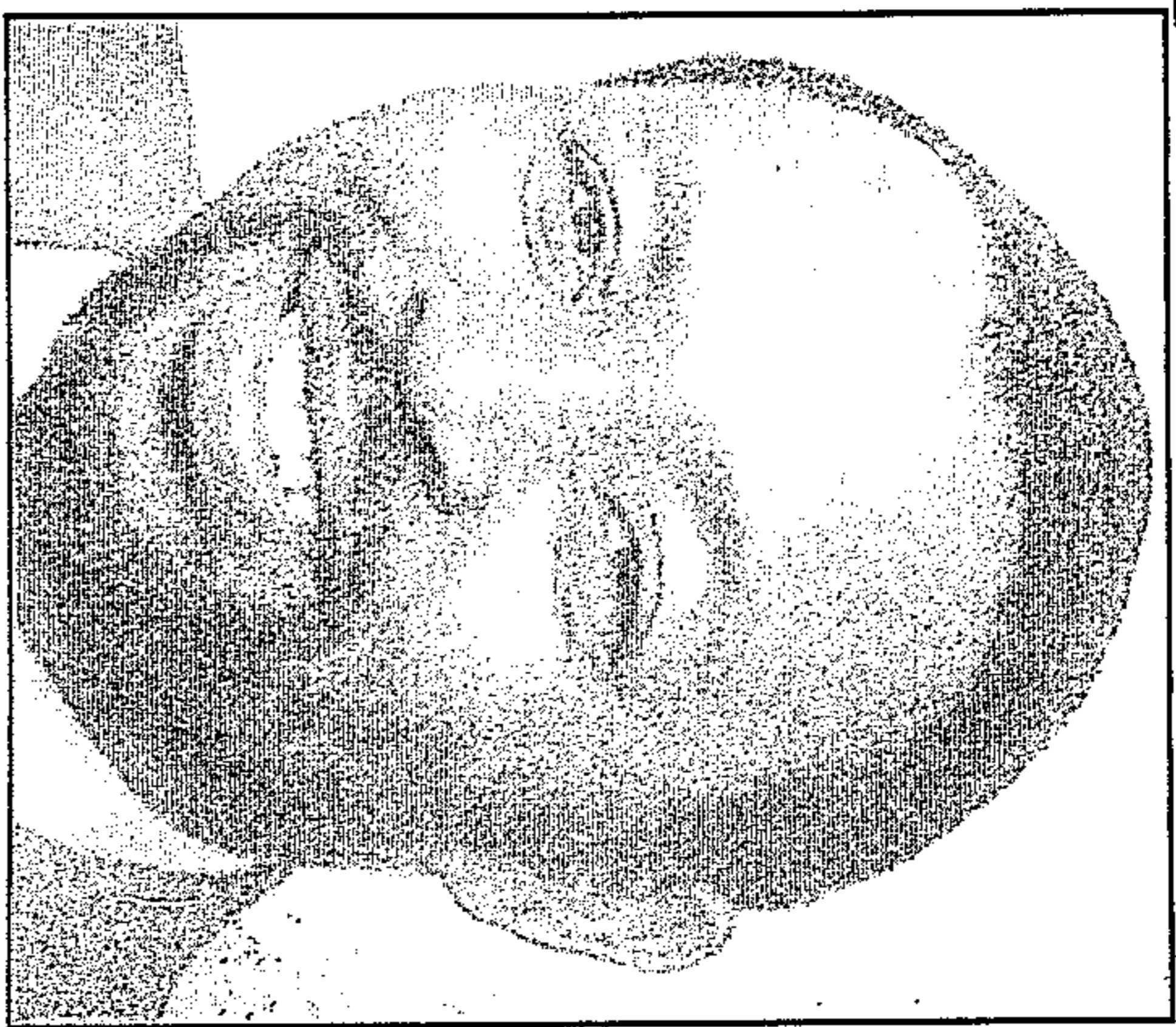
A new programme aimed at supervisory managers is going to be launched early in the new year.

The organisation also intends to revoke its directors' programme aimed at training black professionals to prepare them for non-executive directorships at companies.

The placements sector assists black managers in finding suitable positions in the corporate world as well as assisting companies find suitable managers.

The education segment focuses on raising funds for black students undertaking management related studies at tertiary level.

Since 1991, BMF, under the guidance of former executive director Lot Ndlovu, has been doing much soul searching with the aim of moving away from being merely a pressure group to an organisation that can deliver tangible results to its members.



Lot Ndlovu initiated the soul searching in BMF.

'Big drive address imbalances'

By Isaac Moleedi

A CONCERTED effort is being made by South African companies to address imbalances existing in society, a study by management consultants FSA-Contact has revealed.

The FSA-Contact survey which involved 86 small and medium enterprises shows that 84 percent of public and private companies now have some form of affirmative action policies compared with 74 percent last year. This represents a 26 percent increase

since 1992 when only 58 percent of companies had affirmative action policies.

The survey shows that 57 percent of the respondents embarked on a formal affirmative action programme, 27 percent are operating an affirmative action programme and 16 percent are doing neither.

"In comparison with statistics collected a year ago, this signifies a concerted effort by companies to address imbalances existing in our society," the survey found.

Eighty five percent stated that the success of their affirmative action programmes was measured either by employing a greater number of employees from the disadvantaged groups or by promoting their employees to more senior level.

"There has been a significant increase in the number of black and Asian senior and middle managers in the past year, indicating that affirmative action programmes are becoming increasingly effective for redressing imbalances," says the survey.



Share prices on the Johannesburg Stock Exchange

These were prices at the close of the market. N.B.: The JSE does not operate on public holidays. Prices courtesy of Frankel, Pollak, Vinderline Inc

Name	Buyer	Seller	Trade	H	L
1. Nail	—	R1,45	R1,43	R2,00	R1,30
2. Killmanjaro	—	—	R3,20	R3,50	R3,00
3. African Life	—	—	R6,40	R7,35	R4,60
4. Metropolitan	—	—	R37,00	R37,00	R25,75
5. Corp Africa	—	—	R1,20	R1,70	R1,00

Glossary:
Buyer: Price at which the share was bought. **Seller:** Price at which the share was sold.
Trade: Last traded price on the share. **H:** Highest level share reached this year. **L:** Lowest level the share reached this year.

Part of affirmative action drive

Guidelines on filling public service jobs

BY HELEN GRANGE

The Government has issued guidelines to central and provincial administrations for the filling of 11 000 affirmative action posts, Public Services Minister Zola Skweyiya announced yesterday.

Skweyiya said in a statement that the guidelines were aimed at ensuring the appointment of candidates who would promote the representativity of the public service, and at establishing a common approach in filling the posts.

Indications are that women, disabled persons and certain population groups are not well represented in many occupations of the public service, especially in the management ech-

lon," Skweyiya said.

He added the posts would be advertised only after available personnel in the public service had been thoroughly considered.

Skweyiya also announced that the Public Service Commission had finalised the procedures to be applied in absorbing public servants from the 10 former civil services of the TBVC states and self-governing territories.

Representative

The process would also have to take into account the objectives of representativity, downsizing the public service to a more cost-effective level, and protecting serving officials' rights to continued employment, he said.

Skweyiya tacitly encouraged applications for early retirement to make way for rationalisation and affirmative action, saying a procedure had been instituted to expedite the process.

It was aimed primarily at officials in the management echelons who were 50 or older.

The affirmative action guidelines and procedures were drafted in consultation with the 18 public service unions in the Public Service Bargaining Council.

Meanwhile, strike balloting by some of the unions is continuing in the wake of a deadlock over wages and work conditions.

The Government has rejected union demands for a 15 percent across-the-board increase and an increase in the minimum wage to R1 500 a month (176)

Pillay 1st black woman judge

CT 20/12/94
Own Correspondent

DURBAN. — Attorney and human rights campaigner Dr Navanethem Pillay is to become the first black woman to be appointed to the bench in the South African Supreme Court.

Dr Pillay will sit as an acting judge from February next year. (176)

An ardent supporter of anti-abuse women's groups Dr Pillay has distinguished herself over the years in her work with Amnesty International, as well as the local Advice Desk for Abused Women. (25)

Dr Pillay is married and has two daughters.

MANPOWER - BLACK MOBILITY

1995

JANUARY - AUGUST.

NB

This had to be resorted due to

Careless USERS.



ACHIEVER . . . Elizabeth Kubushi has risen to great heights in the Free State.

By PHILLIP MOROBI

AMBITIOUS Elizabeth Mamoloko Kubushi is breaking stereotypes on two fronts in the Free State - that women cannot achieve in a male-dominated society and the historic racist belief that blacks are incapable of rising to great heights.

The unassuming Kubushi, based at Phutha-Ditjhaba, was recently admitted by the Free State Supreme Court as the first black woman to practice as a conveyancer and notary. (176)

In the eighties, she was admitted as the first black woman practising as an attorney in the Free State and became the first black woman to run her own legal firm.

After teaming up with T P Mosese to establish their firm, Kubushi Moses Attorneys, it was natural that her firm would be the first black one to be admitted as conveyancers and notaries in the Free State.

Speaking to City Press about her achievements, the soft-spoken Kubushi said: "As a married person I share my family life

Free State's Kubushi shows the way

and my work. It is true that it's strenuous but one has no option but to keep both (my work and family) going. On weekends I cater for my family and I avoid taking work home." ep 1/1/95

A mother of four schoolchildren who is married to QwaQwa businessman Thomas Sekhoto, she advises local women not to shy away from the challenges they face. She says it is possible for any woman to attain qualifications.

Initially, Kubushi said, she was planning to become a social worker. But fortunately she found herself practising as an attorney after her bursary donors decided not to aid social workers

when she was at university. "That was the time when I started thinking deeply about a legal career," she explained.

Between November 1987 and June 1989 she was employed as a professional assistant by Fantisi and company in QwaQwa. But later she practised on her own account as Liz Kubushi until January 1994 when she decided to go into partnership with Mosese.

Despite all her legal activities, Kubushi has found the time to participate in community projects. Since 1987 she has been chairwoman of the Qwacoc Women's League, a member of the Qwacoc Executive Council and a member of the National Council for African Women; the Rape Crisis Centre and the Institute for Contextual Theology in QwaQwa.

She is also a member of the Law Society and the Black Lawyers Association (BLA) in QwaQwa.

The saying that "a woman's place is in the home" definitely does not apply to Liz Kubushi.

Eskom workers in protest demo

Staff Reporter

ABOUT 50 members of the predominantly white Mineworkers Union demonstrated for several hours outside Eskom's regional office in Bellville today to protest about the electricity utility's implementation of its affirmative action programme.

At Koeberg nuclear power station, members handed a memorandum to management outlining their grievances.

These included concern about the proposed phasing out of subsidies for housing, lights, water and transport.

The memorandum expressed union concerns about continued assistance to the "underprivileged" to the exclusion of similarly afflicted whites.

(76) ARG 8/1/95
Protesters emphasised that the union would not disrupt power supplies to the Peninsula or cause disruption at the nuclear plant.

"At Koeberg we have decided not to take the day off. We will hand over a memorandum during lunchtime," said Koeberg branch union chairman Derrick Douglass.

The union was not against affirmative action but had a problem with the way in which it was being implemented by Eskom, he said.

An Eskom spokesman said: "We (Eskom management) will not comment at this stage because we don't want to bedevil negotiations."



I'll treat all crooks equally, says SA's first black judge

By SEAN JACOBS

(176)

SOUTH AFRICA'S first black judge, Mr Justice John Hlophe, was this week sworn in in the Cape Provincial Division of the Supreme Court. At 35 years of age he is also the country's youngest judge. CP 8/1/95

In an interview in Cape Town shortly after he was sworn in, Judge Hlophe said he does not see himself as a black judge. "Colour is irrelevant to me. I am a judge of all the people of this country."

And he had a message for black criminals who assumed they would get light treatment because he is black: he plans to treat everyone, regardless of race or sex, who appears before him in court, equally, he says.

Judge Hlophe sees his appointment as a "move in the right direction".

"The image people have of the South African bench should change. The bench cannot continue to be filled by whites while the majority of the population are black."

However he does not expect the situation to change overnight as there is still a dearth of qualified black people to be appointed as judges.

Criticism of President Nelson Mandela's announcement of Mr Justice Hlophe's appointment came largely from white conservative legal circles, but he is well prepared for the post.

Until the end of last year Hlophe was professor in public law at the University of Transkei and is well respected in Eastern Cape legal circles. He completed his doctorate in administrative law at the prestigious Cambridge University in England. He then lectured at the university on Roman-Dutch law.

On returning to South Africa he taught at the University of Natal in Pietermaritzburg.

He has served on three commissions of inquiry in the former Transkei.

Hlophe was sworn in along with Judge Dennis van Reenen. The two new judges are the first to be appointed by the Judicial Services Commission.

Rejected, even with doctorate

STAR 1/11/93

SSST
(177)

WHEN Gail Mlokoti returned from the United States in 1990, with a doctorate in mass communication and six years' experience, she knew it would be tough to get a decent job.

She did obtain a senior position as "intra-organizational communications" manager at Eskom, but not before a couple of humiliating rejections from two big corporations.

The worst, she says, was when she was offered a public relations internship position for a year. She was to visit various universities introducing the company's programmes.

"I could do the job sleeping but they wanted to make me a graduate in training," she says. "They knew my qualifications and experience but they did not have trust in me. So I walked out."

Mlokoti says black women are more disadvantaged because other sectors of the society were given chances before them.

The rules are already drawn. Black men and white women have been making inroads for some time because they had better educational opportunities than most black women.

Traditional stereotypes and prejudices, she says, make it harder for those women who succeed to be accepted.

To succeed and gain acceptance they must know their jobs well, be fair and just in dealing with those reporting to them and be open and frank about office matters, Mlokoti advises.



Division on affirmative action 176

■ BY GLENDA DANIELS

Organised labour and business are at odds over a South African Law Commission recommendation that affirmative action be legislated.

The report was one of seven Law Commission recommendations handed to Minister of Justice Dullah Omar at the Union Buildings last week.

South African Chamber of Business director of labour affairs Gerrie Bezuidenhout told The Star that while business was in favour and believed in affirmative action, he did not believe it

should be legislated.

"We are in favour of affirmative action, but with a voluntary approach. We would not like to see legislation," he said.

"It depends on the nature of the legislation. If it is to encourage human resources development and provide incentives, then that is acceptable. But if it is about quotas, then this would not be acceptable."

Cosatu spokesman Neil Coleman said the federation strongly supported affirmative action as it was "a necessary process of overcoming apart-

heid differences in the past". Cosatu supported "some" legislation and the process had to be driven by shop-floor legislation.

SA Law Commission researcher Gordon Hollamby said: "We see affirmative action as an application of equality before the law. It does not make sense to have just a few factors, like race and gender. The recommendations are broad and wide enough to protect even the rights of the handicapped."

Recommendations will be debated in Parliament.

Details of affirmative action plan announced

176 Star 18/11/95

■ BY HELEN GRANGE

The Government will today announce details on how the Public Service Training Institute — the skills-training arm of the civil service — is to be restructured to advance affirmative action programmes in the service.

The 11 000 affirmative action appointments, also part of the restructuring, will be finalised by the end of next month and will go a long way towards the visible transformation of the 1,2 million-strong public service, a spokesman for Public Service Minister Zola Skweyiya said yesterday.

Meanwhile, the Public Servants' Association (PSA) has backed down

on threats of a strike despite its strike ballot which so far reflects majority support for industrial action.

PSA general manager Caspir van Rensburg said yesterday that irrespective of the result of the strike ballot, the union would not consider strike action in view of the Government's intervention and the informal agreement to use a task group to address the wage dispute and employment conditions.

He said the PSA, together with the 17 other public service unions, would pursue a medium-term salary package in negotiations with the task group established by deputy presidents F W de Klerk and Thabo Mbeki

in November.

The task group, which will address the issues of minimum wages, salaries and employment conditions, is currently thrashing out terms of reference and is scheduled to hold its first meeting at the end of the month, a government spokesman said yesterday.

Van Rensburg said the PSA was still counting the strike ballots but added that although the majority of votes counted so far backed industrial action, "it would be stupid to embark on strike action now.

"It would take away the right of the public servants to strike later if an acceptable salary plan was not negotiated by the task team," he said.

He added that the 18 employee organisations in the public service had submitted names of four representatives to work on a task group with government officials.

The PSA is demanding that the Government maintain the real value of public servants' salaries by making extra funds available to increase the minimum wage.

"By doing this it would automatically narrow the wage gap. We are not in favour of a moratorium on higher wages, which is what the Government wants," he said.

Most of the public service unions support a demand for a R1 500 minimum monthly wage and a 15 percent across-the-board pay rise.

Report recommends legislating workforce

176

ERICA JANKOWITZ

SOME form of affirmative action legislation should be passed to force companies to change the racial profiles of their workforces, according to participants in a recent research project. **BD 18/1/95**

In a report based on interviews with several black managers on their perceptions of affirmative action, SPA Consultants' Nicola Boase found companies had not recognised the urgency of the situation.

Affirmative action and human resource development were likely to become key strategic issues for companies to consider in future, Boase predicted.

Those interviewed said most companies had no formal affirmative action policy, but adopted an ad hoc approach. Many relied on anti-discrimination policies rather than on proactive equal opportunity strategies.

Boase said although overt discrimination had largely been eliminated, covert discrimination — often in the form of payroll practice — still existed. Those interviewed felt strongly that racial or sexist acts should be tackled by counselling offenders. If this did not work, offenders should be asked to leave the organisation.

Participants believed targets should be set for different departments within the organisation rather than quotas being imposed, as the latter tended to encourage tokenism. Targets, on the other hand, provided meaningful, measurable goals and direction and were useful in securing commitment.

Hindrances to affirmative action policies included the "entitlement syndrome" in terms of which people expected immediate rather than merit-based promotion. Poaching was one of the biggest obstacles to the process, showing companies' reluctance to invest in development and training.

In addition, white workers were often reluctant to support affirmative action programmes, making it essential that CEOs and other executives supported the initiative.

Affirmative action sidelined by drive for reconciliation

THE post-election focus on reconciliation in the socio-political arena has resulted in the redressing of apartheid imbalances in the corporate scenario taking a back seat, says the Black Management Forum's (BMF's) Loyiso Mbabane.

Mbabane, who served on the BMF's affirmative action commission, recently told Black Leader magazine that unless the middle class organised to promote its interests, no changes could occur. (176)

While some black organisations claimed they were

BD 19/1/95
acting as agents for change, the BMF and Nafcoc were not coherent enough in their policies.

"Their views on targets are similar but there are no joint efforts in terms of lobbying. We have an intolerable situation where Nafcoc and the BMF are pulling in different directions," he said.

Leaving affirmative action implementation to the goodwill of companies would result in little transformation, he said.

Mbabane identified three common factors in affirmative action programmes in other countries: legislation, guidelines for employers and sanctions against non-conformers.

"In these countries, government is involved in the process. When it comes to real transformation, one cannot rely on the bosses."

Mbabane said his re-

search had shown that few whites favoured real transformation primarily because of the consequences to themselves. Although white women were more disposed to affirmative action as they tended to put themselves in the same camp as the disadvantaged, they generally ignored the privileges of social status and education they had been party to.

"Saying that they are also oppressed does not work when it comes from white women. Their support of affirmative action should be taken with a pinch of salt."

He said blacks had to take the initiative away from white consultants. A "totally exclusive process" was required to get blacks involved in the designation, monitoring and implementation of affirmative action, he added.

BUSINESS DAY, Friday, January 20 1995

Bank's affirmative action policy slated

174

SAMANTHA SHARPE

BD 20/1/95

THE Reserve Bank's affirmative action policy leaves much to be desired, an article in the latest edition of Tribute magazine says.

While the Bank had approved an affirmative action strategy document in November 1993, its feedback on affirmative action showed that the programme had only taken eight candidates on a two-year cadet programme and created four additional posts, Tribute said in its latest edition.

Of the Bank's national staff complement of 1 930 there were no blacks in general management, 1% in senior management, 5% at professional level, 6% at junior professional level and 33% in "utility" positions. Put simply there was no black manager, deputy GM or assistant GM, and there was one senior professional manager, the article said.

Tribute said President Nelson Mandela could find himself in a tight spot when he was called to fill two government representative vacancies on the Bank's board of directors — one position has been vacant a year and the other six months.

"While white employees and some directors await his intervention with bated breath, their black counterparts are hopeful Mandela could use this opportunity to announce major corrective measures at the Bank," the article said.

The Bank, which had been criticised by the ANC for clinging to the status quo, recently said it wanted to change but it had found it difficult to find suitable candidates.

Affirmative action plan takes shape

(176) ERICA JANKOWITZ
BD 24/11/95

THE Black Management Forum was holding discussions with the Labour Ministry, Business SA and organised labour to draw up affirmative action policy guidelines, BMF organisational transformation consultant Mpho Makwana said yesterday.

A "balanced system of incentives and sanctions" was under consideration, including the possibility of fines for firms refusing to adapt employment practices.

Makwana, speaking at an International Executive Communications seminar in Sandton, agreed with Labour Minister Tito Mboweni's contention that affirmative action would be only an interim intervention. Once workplaces were no longer areas of hostility, discrimination and inequality, such measures would not be required.

This would be judged on a staff profile which reflected a minimum of 30% of management positions occupied by previously disadvantaged people, he said. Labour turnover should also be kept to a minimum as newly promoted people often left due to workplace "hostility".

The envisaged implementation body was a statutory affirmative action agency consisting of public servants and controlled by a governing body made up of all stakeholders. According to current thinking, a director-general who reported to Mboweni would oversee the process. The BMF also proposed a negotiating forum for interested parties, including training establishments and an advisory council.

Makwana said affirmative action policy guidelines were premised on the need to eliminate all forms of discrimination which would involve some changes to the law. The guidelines would be geared to transforming attitudes and would be based on principles of people development and creation of an equitable economic environment. An appeal mechanism involving a court of law would be established.

He said companies should review the definition of merit to include assessing potential in a nurturing environment.

● See Page 3

Candidate managers seen as an answer

BD 24/11/95 (176)

A SYSTEM of candidate managers, based on established practice in the legal profession, could go some way towards addressing affirmative action pressure at the top end of organisations, FSA-Contact managing executive Pierre Wolmarans told a seminar yesterday.

He proposed that potential managers enter a fixed term contract with companies in terms of which on-the-job training was augmented by obtaining an academic qualification.

A candidate manager would be assigned to a principal to learn the practical intricacies of business. A formal qualification would simultaneously be obtained at a business school.

At the end of the contract, the candidate would be equipped to find employment or could be offered a permanent post in the sponsoring company.

Wolmarans suggested a system of tax rebates could make the scheme attractive to companies and help them change more rapidly.

Speaking on the same

ERICA JANKOWITZ

platform, SA Commercial, Catering and Allied Workers' Union collective bargaining unit head Leonard Gentle said both management and unions were threatened by affirmative action programmes.

Urging the parties to find common ground before negotiating such programmes, Gentle said management had a "moral responsibility" to change workers' perception that apartheid and capitalism were synonymous.

Until this had been rectified, it would be difficult to reach agreement on the basics of reorganisation.

Many companies balked at affirmative action programmes as information disclosure was part of the process, he said.

In addition, management prerogative was challenged as it involved the devolution of decision-making down the organisation.

However, the struggle over management prerogative was healthy, Gentle reassured delegates.

Star 24/1/95
**Affirmative
action seen as
unproductive**

(176)

■ BY THABO LSHILO

Most executives of SA's top companies expect business confidence to improve in 1995 along with improvements in the country's political situation, says a survey by Unisa.

But the executives are negative about affirmative action, saying it impedes productivity.

The university's Bureau for Market Research says 75 percent of executives of the top 100 companies on the JSE expect the economy to grow by a positive 2,6 percent.

However, inflation is expected to rise to 10,7 percent from the present year-on-year rate of 9,9 percent for November 1994.

Further predictions are that the dollar/commercial rand rate will deteriorate further to R3,87 from the current R3,55.

"The executives expect a further rise in the prime overdraft rate by the end of December 1995 compared with the current 16,25 percent.

Gold price

"They forecast a higher average gold price and further upward potential in the three major indices on the JSE by the end of December 1995," say the researchers.

An overwhelming 94 percent of the executives want the dual rand scrapped while a total 74 percent believe the RDP will not satisfy black expectations.

As a result, a larger role is expected for trade unions, with increased unrest and strikes.

The executives see growth in employment as the major strategic issue facing business in the New SA, followed by affirmative action and black expectations.

Affirmative action 'unproductive'

CT 24/1/95 (176)

From THABO LESHILO

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The executives see growth in employment as the major strategic issue facing business in the New SA, followed by affirmative action and black expectations.

Affirmative ⁽¹⁷⁶⁾ action getting corporate nod

CT 25/11/95

JOHANNESBURG. — Affirmative action is being widely put into practice by companies and in the public sector, a recent survey by management consultants FSA-Contact shows.

Spokeswoman Ms Harriet Webster said 84% of 86 public and private organisations surveyed had implemented some form of affirmative action, compared with 74% in 1993 and 58% in 1992.

The survey showed that 57% of respondents had formal affirmative action programmes, 27% had informal programmes and 16% had neither.

"In comparison with a year ago, this signifies a concerted effort by companies to address imbalances in our society," Ms Webster said.

Eighty-five of those with affirmative action programmes said they were either promoting or employing more people from "disadvantaged groups".

About 65% said they were employing more non-white skilled administrative employees. Seven percent said they had set racial quotas for administrative employees.

Other forms of affirmative action were education and training programmes.

Ms Webster said there had been a rise in the number of black and Asian senior and mid-level managers in the past year.

At senior management level, the percentage of black employees rose from 3,5% in 1993 to 18% last year, and that of Asian employees from 4,5% to 14%. This coincided with a fall in the percentage of senior white employees from 91% to 68%. — Sapa

Firms serious about affirmative action ⁽¹⁷⁶⁾

■ BY JUSTICE MALALA

A survey of South African companies has found that a huge percentage have taken affirmative action to heart.

Researchers said 84 percent of 86 public and private sector organisations surveyed last year had adopted some form of black advancement.

Conducted by management consultants FSA-Contact, the survey found that the figure for organisations with affirmative action policies in place had risen from 74 percent in 1993 and 58 percent in 1992.

Organisations surveyed were involved in all spheres of economic activity, including small and medium companies which employed less than 250 people, and large corporations that employed more than 5 000 people.

The survey, Salary and Wage Movements and Labour Trends, showed that 57 percent of these firms had formal affirmative action programmes in place, 27 percent had informal programmes and 16 percent had neither.

Research found that 85 percent of participants said they

measured the success of their affirmative action programmes by the number of people from disadvantaged communities they had employed. Either that, or by promoting employees to more senior levels.

Some 65 percent said they were employing a greater number of black administrative employees.

Other methods of implementing affirmative action included education programmes and the development of specific roles in the company.

FSA's Harriet Webster said there had been a marked rise in the number of black and Asian senior and middle managers over the past year. At senior management level, the percentage of black employees had risen from 3,5 percent in 1993 to 18 percent in 1994, and the number of Asian employees from 4,5 percent to 14 percent.

The survey found, however, that the percentage of black employees among what was called "all other staff" had declined from 60 to 37 percent, and Asians from 29 to 18 percent, while that of whites had increased from 24 to 34 percent.

Black managers 'want a say in affirmative action'

(17b)
(5D 26) 1/95

BLACK managers are tired of being passengers on the affirmative action plane, Black Management Forum (BMF) manager of the Natal Midlands branch secretariat Loyiso Mbabane says.

"For many years some black managers were content to be business class and first class passengers on the slow affirmative action plane," he said. After two decades some companies and organisations had not even got off the ground.

Mbabane said this plane had been piloted by white managers, who thought they knew best where it was supposed to go, and to some passengers it did not matter, as long as they were guaranteed business class seats.

This had now changed as black managers wanted to have a direct say in determining the direction of affirmative action programmes.

"The BMF is encouraging black managers to form BMF sub-branches in their companies as a guide to implementing and monitoring affirmative action programmes."

He said the days of white consult-

AMANDA VERMEULEN

ants on affirmative action, some of whom had been consulting on behalf of blacks for decades without significant results, were numbered.

Black managers wanted an all-inclusive process of affirmative action in their companies. The BMF, he said, had always maintained that the MD should drive this process.

He acknowledged that in SA, for the moment, this meant a white person would be at the helm to steer affirmative action.

"This makes it even more important that the MD is guided by the black men and women whose situations need to be addressed."

This could be facilitated through an affirmative action committee, forum or think tank chaired by the MD, whose decisions should have a binding effect on the company.

There remained, however, some companies which did not have blacks in senior positions. This was one of the reasons the BMF was calling for legislation and monitoring of affir-

mative action by government in tandem with the relevant non-governmental organisations.

SA had to work towards a situation where a company's demographics reflected those of the nation. Industry's track record over the past two decades in attempting to accomplish this had left much to be desired, and there was no evidence to suggest the situation would change of its own accord.

"Industry is lagging far behind other sectors in SA in redressing apartheid imbalances.

"This is certainly not for lack of management strategy or ignorance about what needs to be done."

He said that faith alone did not seem to be working, and that perhaps some pressure, legislation and even sanctions were necessary to resolve the situation — similar pressure to that which had helped bring about the democratic change.

"In the meantime, black workers and managers must seek direct involvement in planning and monitoring progress in affirmative action in their companies," he said.

Million whites

'to lose jobs'

(176)

JOHANNESBURG. — Nearly one million whites will lose their jobs because of affirmative action, the annual congress of the white Mineworkers' Union was told at Midrand yesterday.

ET 3/11/95
The statement came from University of Orange Free State labour economics lecturer, Dr Louis Bothma, who told the congress that whites would lose their jobs as the public and private sectors made their workforces representative.

MWU president Mr Cor de Jager said the MWU's role should take the form of a pressure group for the new disadvantaged, namely South Africa's white workers.
— Sapa

Affirmative action: US has lessons SA can study closely

(176) CT 11/2/95

By NEIL LURSEN

WASHINGTON - As South Africa approaches the first anniversary of full democracy, there are tough challenges facing the country which require extraordinary wisdom and balance. Perhaps the most difficult of all is how to manage affirmative action - the process of helping the victims of race discrimination overcome the disadvantages they suffered.

It is a trade-off. For every individual who is helped, someone else from the other race group is pushed aside to pay for the sins of his father. The danger lies in generating dismay and anger among those pushed aside, in creating a whole new class of resentful disadvantaged. South Africa obviously does not need that while people are learning to work, study and play together.

There does not appear to be much debate in South Africa on this critical issue. Where are the top-drawer conferences where the best minds are laying out the pros and cons, the possibilities and dangers? It should be one of the chief top-

ics in the debate over public policy. Still, we can learn from the experience of others. We have already had one major lucky break; the new SA came into existence just as communism was falling apart. Temptations to follow that road have been stifled by the revealed realities of that bleak ideology. Now we may learn a few more helpful things by taking a close look at not only the big picture but also details of the debate over affirmative action which is generating a lot of steam in the United States this year.

Minority

In the US, three decades of affirmative action have produced mixed results. Many argue that it has outlived its usefulness and that it is no longer fair, if it ever was. It is being challenged as unconstitutional in the courts as well as the political arena. Significantly, some influential African Americans are speaking out against it. There are, of course, many success stories about bright youngsters from minority groups who went on to fine careers in the professions and in the corporate world because they were admitted to elite universities through affirmative action programmes. And minority-owned companies, which might otherwise have failed in the cut-throat competition of the business world, have done well because of help from federal, state and city agencies.

Some advocates say affirmative action is flawed, but that nothing else has been put forward to overcome the racism that exists today - albeit unofficially. But many Americans say that enough is enough and it is time to enforce the constitutional right of all Americans to be

protected from any form of racial, ethnic, religious or gender discrimination.

Some argue that diplomas from the top universities and colleges are tainted with the tag of quota when a student from a minority group was admitted in preference to a white student with a higher qualifications.

The debate is just a part of the process of re-examination taking place in the US in which fed-up voters are looking at everything affecting their lives - the way criminals seem to be molly-coddled, abuse of the welfare system, dissatisfaction with politicians. Most reasonable people - and the events of last April showed that most South Africans are eminently reasonable - would agree that a long-term and multi-level affirmative action programme is necessary to bring about a fair shake in South Africa's civil service, in education, in business and economic opportunities, and in every other area where apartheid was the rule.

Contract

The problem lies in the areas where the affirmative action can be abused, distorted or unfairly applied. For instance, an argument that the system has been unfairly applied was made in a case currently being considered by the US Supreme Court. It involves a federal government programme to provide special help for minority-owned businesses bidding for public contracts. The company which won a highway-building contract in a Colorado national park, sub-contracted part of the work to a minority-owned company even though a white-owned company tendered a lower bid. The chief contractor was awarded

a R36 000 bonus for bringing in the minority business and the loser sued but lost in the lower courts.

The case has now reached the highest court in the land and the judgment, due in June, could have a profound effect on the whole web of affirmative action programmes in the US. The argument brought by the litigant is that it lost the sub-contract because of race - and that is unconstitutional.

Unrealistic

Government lawyers, defending affirmative action, argue that white-owned companies have the right to go to court to prove that a minority-owned competitor is not really disadvantaged. At this point, South African observers already have several points to learn. One is that affirmative action programmes can be worked into the day-to-day world of public contracting, and another is that it can go wrong.

For instance, it is unrealistic to expect that a small company is able to afford the time and expense to challenge in the courts every contract that it loses under affirmative action. So there must be an impartial and inexpensive way to handle disputes of this kind.

Another lesson: it seems obvious (although no dishonesty is implied in this case) that a process which provides a contractor with a special bonus for hiring a minority-owned company will result in minority-owned companies being sought out. Why not get an extra R36 000 bonus on the side?

The whole affirmative action system is being thrown on the table in the US. We should grab a chair and see what happens - so that we don't make the same mistakes.

Affirmative action: US has lessons SA can study closely

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Stiff fines for law breakers

Business Staff

(176) ARLT 4/2/95
PROPOSED "draconian" enforcement measures for companies which break affirmative action laws call for fines of up to R100 000 or two-year jail terms.

Outlining the draft legislation, labour relations consultant Andrew Levy said he was convinced that law on affirmative action would be introduced, along with some form of enforcement.

"You're living in a fool's paradise if you think there won't be legislated affirmative action."

Draft legislation called for every company with a staff of 20 and above to have an affirmative action policy.

The bill was "a very good piece of legislation" and had been drafted by competent and professional people, although he said the proposed enforcement measures were "draconian" and might prove difficult to implement.

"It should be put on the table sooner rather than later," he said of the bill.

Much of the rhetoric of wage negotiation this year would include demands for affirmative action, Mr Levy said.

Unions, or at least shop stewards, would "try to fly this argument" whenever they could.

Affirmative action demands on the table this year would include calls to advertise all new vacancies for all staff, shop stewards participating in interviews, either as observers or directly and other similar demands, Mr Levy's colleague Larry Palk said.

But affirmative action was not really an issue which could be handled on a blanket basis, other than parties agreeing to a commitment to the principle, Mr Levy said.

He strongly suggested that all employers seriously consider drafting some sort of affirmative action policy statement, if only to ensure that they understood what their company intended by this term.

It would be advantageous if the union could agree to the policy statement in negotiations.

As with any blanket claim, affirmative action demands carried little weight. In negotiations, management could either divert attention away from it or find a form of wording which gave a policy little effect.

"We would not advocate this approach, as we believe the issue is important and management should not lose credibility on it."

Very few companies did not take affirmative action seriously, although many companies did not have a clear view of what it meant, Mr Levy said.

Thebe wants TV for blacks

BLACK-RUN Thebe Investments Corporation is heading a multinational project to establish a countrywide black television channel, the company's special projects manager Liston Ntshongwana has said.

Mr Ntshongwana said yesterday the project, dubbed Station for the Nation (SFTN), had been thoroughly researched and could get off the ground as soon as the Independent Broadcasting Authority (IBA) had established licensing norms for new broadcasters.

"We are looking for a national licence that would enable us to inform and entertain the majority of this country's people fairly.

"It would be a question of the quality of service, the nature and content of programming and the values and images that are projected," he said after appearing before the parliamentary standing committee on communications.

The committee, headed by former ANC spokesman Sakkie Macozoma, was holding public hearings on proposals to increase the power of the IBA to level the playing field for aspirant broadcasters.

ARG 4/2/95
Mr Ntshongwana said Thebe, working through its Moribo Investments subsidiary in Johannesburg, had gathered a number of potential investors.

"We are talking about local investors and foreign investors with sig-

nificant experience in the field. It takes a lot of funds to put together a national television channel, but the funding is there," he said.

Mr Ntshongwana said the project was not financially, politically or ideologically linked to the African National Congress who set up Thebe Investments in 1990.

He said the channel would not have any political loyalty to the ANC, but would reflect values of the community. — Reuter.



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White miners' protest 'serious'

ET 9/2/95 (176) (176) (176)
PRETORIA. — Business leaders and the authorities should not make light of the protest by the all-white Mineworkers' Union, Freedom Front leader General Constand Viljoen warned yesterday.

He said the MWU demonstration at Eskom plants earlier in the day against affirmative action signalled the beginning of a firm stand.

"They are saying: 'Enough is enough. Justice should be applied evenly.'" (23) (23) (23)

Gen Viljoen said if affirmative action resulted in depriving people of job opportunities on a racial basis, the country would lose large numbers of highly qualified entrepreneurs. 24

"The responsible way in which the MWU is conveying this message deserves praise and is in stark contrast to the irresponsible industrial action by some other groups," he said. — Sapa

Affirmative action protest

at all Eskom power stations

(176) JENEE GRAWITZKY (222)

ABOUT 1 800 members of the all-white Mineworkers' Union (MWU) took part in countrywide protest action at Eskom power stations yesterday.

White worker's grievances are related to the company's affirmative action programme and the proposed changes in employment benefits.

Protests outlined included: "Whites are not planning to sign our future away because of affirmative action, the approach of blacks without experience or qualifications will not be tolerated", and "members' children will not get a chance to have a career at Eskom".

Eskom said it was not prepared to compromise on affirmative action, but assured the programme would not lead to involuntary retrenchments.

"What it does mean however is that many more opportunities for development and upward mobility of black and other previously disadvantaged employees will now exist," Eskom said.

The company said the proposal for phasing out accommodation, transport and water and electricity subsidies, granted to employees in remote power stations, was part of the company's overall rationalisation programme of standardising employment conditions.

The disparities that existed "are no longer defensible", said the company.

Trade unions are supposed to respond to various alternatives discussed by February 15. Only thereafter will the company be able to "determine the next steps".



Eskom's Kendal power station manager Pater O'Connor after receiving a memorandum from about 160 Mineworkers' Union members during their protest action yesterday.

Picture: NICKY DE BLOIS

'Affirmative action vital for strong public service'

star 10/2/95

Nothing to fear, Mandela tells white civil servants

(176)

President Mandela yesterday moved to allay the fears of white civil servants, saying they had nothing to fear from affirmative action.

"There is much to be done and many changes are necessary," Mandela told a multi-racial meeting of about 400 Transport Department workers in Pretoria.

"The transformation of the public service is still under way but you do not have to fear these changes. Like our political transformation, we shall eventually reach a situation with which

everyone will be satisfied.

"The ghosts of unknown dangers have changed in everyday reality in a country unified around the struggle towards community goals," he said.

Mandela said affirmative action in the public service was vital to serve the interests of all South Africans effectively, but would not discriminate unfairly.

"Affirmative action is aimed at redressing wrongs, not creating new ones. Like democracy, it is an opportunity to lay a sound basis for reconciliation and

transformation. It will help us achieve a stronger, more efficient public service, better able to address the needs of all the people in our country.

"The Government is committed to developing an environment that is co-operative rather than adversarial to ensure stability in the public service," he said.

Transport Minister Mac Maharaj also addressed the meeting and urged workers in his ministry to develop joint decision-making policies and work

towards the goals of the reconstruction programme.

"We will have to change the way in which we serve people, and when we are dealing with role-players we should make all facts available to them so that they are as fully informed as possible. Each one of us must rise to the call of building a new and better country for all of us," he said.

Maharaj also assured white public servants that professional standards would not fall in the department due to affirmative action. — Reuter.

Black but not black enough?

176 WMM 10-16/2/95

A brilliant Indian student was refused entry to medical school — an apparent victim of affirmative action. When she took legal action, she was admitted. **Farouk Chothia** reports from Durban

A YOUNG Pinetown matriculant, refused entry to medical school despite getting six distinctions, has started a flood of court challenges to affirmative action.

Karin Singh (18) was among the top 25 students last year in the former "Indian" education department, obtaining five As and one B. After remarking, her B in Afrikaans was converted to an A.

But the University of Natal refused to admit her to its medical school, saying she would be placed on a waiting list of applicants.

Singh decided to launch legal action, arguing she was being discriminated against in violation of her constitutional rights. In papers filed in the Durban Supreme Court, Singh cited section 8 (2) of the constitution which states that "no person shall be unfairly discriminated against, directly or indirectly" as a result of race and gender.

Soon after filing papers, the university informed her that she had been admitted as a first-year medical student.

Now a second Indian student who received an A-aggregate in matric is threatening to file court papers challenging her exclusion.

University legal adviser Siphon Mkhize denied that legal proceedings forced them to back down in Singh's case. "It needs to be made very clear that she has been admitted strictly on the basis of the university's admission procedures and requirements and not because of her application to court."

The assistant dean of the medical school, Professor Walter Loening, said Singh had been "near the top" of the admission waiting list and once a vacancy opened, she was immediately admitted.

"We had over 1 700 applications. We can admit only 120. The rest will say we discriminated against them. You can't imagine the pressure we have been exposed to," Loening added.

Thuli Madonsella, a research officer at the University of Witwatersrand's Centre for Applied Legal Studies, believes there is an "insular" clause in the constitution which sanctions affirmative action.

• Before the elections we were black and now we do not appear to be black •

She said section 8(3)(a) allows for measures to be taken "to eliminate and reduce disparities" created by apartheid and such measures would not be in contravention of the equality clause.

According to Loening, the medical school's previous student population was about 50 percent black with the remaining 50 percent comprising Indians and a "few" coloureds.

The medical school decided this year to take, for the first time, "a small number" of whites, and increase black and coloured intake while reducing Indian intake, Loening said.

He added that Indians would

remain the second-largest racial group at the medical school. "Is that not affirmative action?" he asked.

He added that the medical school has not set down any racial quota, though Chatsworth community leader Peter Pillay, in an affidavit supporting Singh, said university authorities informed him that only 40 Indian students will be admitted this year.

Loening said that with "no law saying that the best matriculant must get in", matric results were no longer the sole criteria for admission: a "certain percentage" of students were enrolled based on their overall school performance and an assessment of their leadership qualities and extra-curricular activities.

He said this system was adopted to try to ensure that "some of the best scholars of all races" were enrolled in the faculty.

Loening said the medical school will continue applying affirmative action. "There is nothing new about it in this faculty. We have preceded most other institutions with affirmative action. Now it is also government policy," Loening added.

But Minority Front leader Amichand Rajbansi said on Wednesday that he was taking up the cudgels on behalf of another Indian student, Thevaloshni Naidoo, who had been informed before she even wrote her matric examinations that she would not gain admission.

Naidoo obtained an A-aggregate in her exams with A symbols in biology and physical science and a B in mathematics.

"Before the elections we were black and now we do not appear to be black," said Rajbansi.

Warning that legal action was being "seriously considered", he added: "Many Indians believe

they have now become victims of affirmative action programmes.

"The university must give us proof that this is not so. The community is entitled to know whether students who have an academic record worse than Naidoo's were rejected at the initial stage."

Loening declined to comment on Naidoo's case "as the matter could be regarded as sub judice".

Mandela speaks on affirmative action ⁽¹⁷⁶⁾

□ President reassures public servants

ARCT 10/2/95

The Argus Correspondent
and Sapa

PRETORIA. — Affirmative action in the public service was aimed at addressing wrongs, not creating new ones, President Mandela told employees of the Department of Transport in Pretoria.

But transformation of the public service would be done through negotiation with trade unions "in a way that addresses many of the fears", Mr Mandela said.

"Government is committed to developing an environment that is co-operative rather than adversarial, to ensure stability in the public service."

Mr Mandela spoke yesterday to Department of Transport staff at the request of Transport Minister Mac Maharaj.

"Employees in the public service perhaps still face a difficult time. The transformation of the public service is already underway, but you do not have to be afraid of these changes.

"As with our political transformation, we will reach a situation with which we all will be satisfied."

Mr Mandela said transformation of the public service was aimed at achieving a more efficient and effective service better able to address the needs of all.

"It is intended to ensure that all those who were disadvantaged under apartheid — particularly Africans, Indians, Coloured people and women — are able to contribute to the maximum of their potential."

He said affirmative action in the public service had not moved as fast "as we might have liked at the outset", but a solid basis for future change had been laid through constructive negotiations and the "goodwill on all sides".

● The African Centre for the Constructive Resolution of Disputes has honoured Mr Mandela with the Africa Peace Award for his part in promoting peace, human rights and democracy in Africa, Accord director Vasu Gouden said in Durban today.

The award will be presented by Organisation of African Unity secretary-general Salim Ahmed Salim in Durban on March 18.

"Mr Mandela is a symbol of our hopes and dreams for a stable and united Africa," Mr Gouden said.

South Africa has unique case of affirmative action

By KANYA ADAM

WE HAVE been bombarded with requests to look to and learn from the US experience of affirmative action.

The motivations emanate from the insatiable desire to emulate the US and, for some, the reassuring effects of the groundswell of criticism against affirmative action in that country.

The underlying assumption behind these exhortations is that both situations are similar. This, however, clearly overlooks the uniqueness of the South African context and what it can offer to a more nuanced understanding of race relations and affirmative action.

Two specific features of South African society make an undifferentiated application of US affirmative action problematic. First, the target group of such a policy would be a numerical majority while elsewhere the focus lies mainly on how discriminated minorities could be incorporated into the mainstream.

Sheer size

Affirmative action in South Africa is aimed at improving the status of this majority (albeit in the past a political minority) whose previous exclusion the privileged minority has to come to grips with in a much more urgent way than in situations where minorities are less threatening.

The sheer size of this excluded black majority suggests that black consumers will increasingly represent a dominant share in the market. They are seen as customers, de-

IT'S THE NUMBERS THAT MAKE SA AND US DIFFERENT

manding specific products, and potential wealth generators. The increasing financial clout of a growing black middle class will ensure a market-driven perspective to the implementation of affirmative action.

The private sector has not only to reckon with such huge black consumer markets but also with a black labour force. Both facilitate, in a symbolic and functional sense, greater black participation in upper management structures.

At the same time affirmative action has created a sense of "white panic" fuelled by recent reports such as "Million whites to lose jobs" (Cape Times, January 31, 1995).

Younger white males, in particular, feel vulnerable. While professing to see the need for affirmative action, there is understandably an acute sensitivity to the introduction of preferential treatment.

In South Africa affirmative action will be supported by the majority of the population, unlike the US where it tends to

be perceived as a moral issue with a paternalistic character bordering on charity. Tapping a reservoir of wasted talent as a pragmatic rather than a moral rationale for affirmative action should be foremost on the mind of South African business.

The economy is over-reliant on a limited pool of whites for skills and leadership. Aside from no longer being politically acceptable, it is also not economically viable to have so few blacks in management positions.

The issue of group affiliation so intrinsic to affirmative action is problematic in South Africa precisely because there has been such a drive to eliminate group definitions due to previously imposed apartheid labels.

Paradox exists

The dominant ideology of non-racialism is said to be incompatible with racial preferential treatment. At the same time nowhere does a more elaborate infrastructure of racial classification (a prerequisite for institutionalised racial affirmative action) exist. Yet a paradox exists in the sense that, to eliminate race and gender as significant categories in public life, it is necessary to take account of the way race and gender affect everyday existence. Unlike the US, none of the ambiguity about group membership prevails in South Africa. Furthermore colour — for the most part — coincides with economically disadvantaged status to a far greater extent than in the US.

A legalistic influence also prevails in the US where a heavy reliance is placed on the judiciary as problem solver. Unlike the US, where a legalistic approach is intrinsic to the implementation of affirmative action, South Africa has neither a legalistic culture nor the resources to become one. Race relations in America are largely conceptualised in terms of legal rules. South Africa, on the other hand, is not yet a litigious society with such structured avenues for recourse.

South Africa, as an historical latecomer to the debate on affirmative action, offers a unique opportunity for avoiding mistakes since various questions have been experimentally and theoretically addressed for a long time. At the same time, the unique South African circumstances do not allow for an uncritical emulation of policies elsewhere. Canada's equity programme, for example, presupposes a population which is roughly equally qualified in order to be proportionally represented throughout the employment spectrum. Bantu education, however, has destroyed this necessary base for proportional group representation.

Affirmative action in South Africa, therefore, can only mean great efforts of making up for the past neglect of the disenfranchised section in order to allow their numbers to be equally qualified. Only these candidates deserve preferential treatment in order to remedy the historical injustices of apartheid. (Kanya Adam is a doctoral research student at St Peter's College, Oxford.)

(176) or 13/2/95



Dr Leon Sullivan in South Africa.

Weapon of a new society

Sowetan 23/2/95 (176)

■ **PROCESS DEBATE** *Affirmative action*

must balance the scales and bridge gaps:

By Oupa Ngwenya, Programme Director, Institute for Research and Emancipatory Development

THE concept of affirmative action was talked about as long ago as the late '70s.

It owes its origin to the Sullivan and European Community Code of Conduct for companies doing business in South Africa. The talk then was of equalisation of opportunities. Companies adhering to this code defined themselves as equal opportunity companies.

With the extension of trade union rights to black workers, the call for affirmative action gained more momentum. After the April 27 1994 elections, demands for companies to move from policy formulation to policy implementation have increased.

People believe they now live under a democratic government which has a duty to bring about a change in their material circumstances and conditions. To this end, the victims of the previous dispensation believe that affirmative action must be a weapon of change. In this way AA is associated with empowerment and equalisation. But to those who have no experience of oppressive conditions, affirmative action is nothing more than a threat to their status to the extent that they dismiss it as "reverse discrimination".

Neutral tool

All things considered, affirmative action can never be a neutral tool. It has to take a side. And in doing so, companies and institutions will have to spend millions on education, skills training and management programmes because the people who were victimised are in the majority — black people.

The issue which will confront this rehabilitative programme is that of colour. Black people were the victims of oppressive subordination. Therefore, it is black people who should experience relief from the oppressive subordination contrived by the previous status duo.

From the viewpoint of organised workers who have taken the opportunity to deliberate on affirmative action, the definition was formulated as "social engineering created at management's instigation to

promote and advance the dignity, rights and socio-economic well-beings of all black workers; to oppose all forms of continued discrimination which undermine the civil liberty, economic and social justice of the individual; and to promote the idea that the future of all nations is positively related to the recognition of workers as equal partners and not as tools for socio-economic development.

Matter of debate

How these objectives can be achieved is still a matter of debate. Trade Unions appear resolved to insist on the collective bargaining process as a framework for policy-formulation, implementation and monitoring of AA. Companies seem to hold the view that works committees are the safest platforms for bringing about the desired changes.

The likelihood is that there may be an acceptance of matters relating to education, skills training and management programmes to be handled within works committees.

But once workers have gone through these programmes and have acquired these skills, they will naturally wish to settle the value of their labour on the basis of a two-sided-table as provided for by a collective bargaining process.

Affirmative action

Pressure for affirmative action will most likely emanate from the ranks of the Association of Black Accountants of South Africa, National African Chamber of Commerce and the Black Management Forum. The collective concern of these groups hinges on management development that results in more black managers in corporate companies.

While there is a case for management development, what should not be lost sight of is that the ultimate answer lies in organisational change.

Without this change, everything else which may come out of affirmative action spells adaptation.

For affirmative action to yield meaningful results, it must consciously avoid tokens and attempts to tie the labour movement to the apron strings of management and government.

If there is any legislation for affirmation

'We can no longer keep door closed to people of colour'

ARG 23/2/45 (176)

TYRONE SEALE
Political Staff

REG September was 16 when he applied for an apprenticeship in the shoe industry and saw the shortcomings of some forms of affirmative action.

He missed his shoemaking opportunity because the department in which he was to be employed was the preserve of whites.

"I shall never forget the problems and the artificial stumbling blocks which I experienced as a boy of 16," said Mr September, a Western Cape MP and former exile, in his maiden speech to parliament yesterday.

Mr September was speaking on affirmative action during the national assembly debate on President Mande-

la's opening address.

"We need to explain to those who are afraid of competition that we can no longer keep the door closed to people of colour.

"When one talks of affirmative action then I do not believe that legislation which apportions quotas to different racial groups is the way forward.

"Having said that, I know of employers who have proudly said they no longer keep records of different racial groups employed, since after all, it is a new South Africa.

"But in fact, it is now that such racial records are absolutely necessary precisely to enable us to measure our progress along this new road. There is, in fact, no other way."

First shot fired at affirmative action

(176) BD24/2/95

WASHINGTON — Democrats accused the Republican majority in Congress of racism after the first shot was fired in what threatens to be a bloody battle to roll back three decades of racially based "affirmative action".

The House of Representatives voted overwhelmingly on Tuesday to repeal a tax break which offered black-owned broadcasting companies millions of pounds in special concessions.

It was the first time the speaker, Newt Gingrich, addressed the explosive and unpopular issue of reverse discrimination.

The Bill was passed 381-44, with only black and Hispanic members, plus a handful of white liberals, voting against.

"The nation sees this as a fight about race," said black caucus leader congressman Kweisi Mfume. "Let me suggest the real fight is on the horizon," he said. Affirmative action would not go down without a fight, the caucus leader said.

Under the controversial tax measure the House voted to rescind, the conglomerate Viacom claimed tax deferment of about \$700m on the profit of selling its cable interests to a black businessman's consortium.

Businessman Frank Washington formerly worked for the Federal Communications Commission, and drafted the tax rules which now benefit his company.

Own Correspondent

"This is not about helping the disadvantaged. This is about simply rigging the game on behalf of one set of millionaires over another," said Gingrich.

New York black liberal congressman Charles Rangel argued the tax code had encouraged minority ownership of radio and television stations.

He said the measure was a mechanism to ensure black people would not have to "look at themselves as being clowns and walking slowly and telling jokes and being demeaned as criminals".

Gingrich is circulating a draft memo outlining priorities for the next phase of the Republican revolution, which is expected to include action against government's racially based hiring practices.

Gingrich is responding to, rather than shaping, events. Two Californian academics are gathering 600 000 signatures to force a state referendum to ban positive discrimination in public organisations.

If successful, the initiative is likely to sweep across the country. Gingrich has made it clear Congress will not remain aloof from the debate, and will move towards a general system for the poor. "You'll see us moving decisively away from affirmative action in terms of quotas and on racial backgrounds," Gingrich said.

— • Telegraph plc.

Property firm to empower blacks

ROBYN CHALMERS

PROPERTY group Russell Marriott & Boyd Trust (RMBT) has teamed up with strategic and financial consultants Mandela Dlamini & Associates to launch SA's first black economic empowerment property firm.

RMBT director Stanley Arenson said the company, Russell Marriott Dlamini & Associates (RMDA), aimed to become a competitive provider of property consulting services.

Services would include property leasing, sales and investment broking, property management and administration, property valuation and ancillary property consulting.

Arenson said the company would give black brokers in-service training and enrol them in courses covering a range of commercial and industrial property services. (176)

He said an important step would be to secure the commitment of RMBT clients to engage one or more of the services of the new company.

This would be done on condition that its fees and quality of service were at least comparable to those of existing suppliers.

The new company's chairman will be Zenani Mandela Dlamini and Arenson will be MD.

Help for blacklisted

By Isaac Moledi

THERE could be light at the end of the tunnel for consumers who are blacklisted by credit bureaus and don't know where to get help.

The Africa Consumer Council yesterday launched Fair Consumer Credit Information to help blacklisted consumers get more information about their blacklisting.

Acoco will also use the FCCI to pressurise the banks, other financiers and retailers to respond to its request for a review of cases of blacklisted people.

According to Acoco's research, more than six million consumers, 4,8 million of whom are blacks, are blacklisted by credit bureaus.

The organisation wants creditors to start on a "clean slate" and announce blanket credit indemnity to all blacklisted consumers, as they were disadvantaged by apartheid.

The information used by credit bureaus to blacklist these consumers, Acoco says, is in some ways, inaccurate, outdated and racist.

Acoco president Mr Eldridge Mathebula says that through FCCI, Acoco has installed computers in its offices linking them with various credit bureaus to acquire information about all blacklisted people.

Mathebula believes that blacklisting was done with the deliberate motive of discouraging blacks from taking part in the mainstream of the economy.



Mathebula ... pressuring credit bureaus.

Skills for staff

By Isaac Moledi (176)

TOYOTA South Africa Marketing has established an internal recruiting and selection agency to enhance its affirmative action programme. 9/3/95

The company has allocated close to R1 million for its education assistance programme (EAP) and other career development related projects this year. 9/10/95

Dr Pine Pienaar, TSB's career development manager, says Toyota's main priority is to empower all its workers with skills and knowledge — with affirmative action forming part of the recruitment and selection proceedings.

He says the agency's task will be to select candidates for vacancies within the company — considering first the internal candidates. Soweran

"While Toyota is doing its best to empower its employees with academic qualifications through its EAP on an after-hours and correspondence basis, the company this year has introduced development programmes and internal courses including skills in business, computers, communication and pre-retirement training," he says.

Quotas last resort, says ANC

BY THABO LESHILO

(176) star 9/3/95

The ANC will introduce affirmative action legislation combining the use of both rewards and punishments to transform companies and secure equal opportunity in the workplace, according to Dr Duncan Innes, South Africa's eminent labour expert.

Innes told a conference in Sandton yesterday the "carrot-and-stick approach" would not criminalise unco-operative companies.

They would be fined while those committed to the policy get rewarded with subsidies.

Companies would be allowed to set their own targets and time frames for affirmative action.

However if this approach failed, legal quotas could be introduced, Innes said.

Sakekamer head warns of affirmative action excess

By ROY COKAYNE

PRETORIA BUSINESS EDITOR

176

Afrikaanse Sakekamer chairman Hannes Jansen has appealed for the moderation of affirmative action "in the face of the possible economic nightmare it could lead to".

"I have a very real concern about affirmative action as a political ideal in the face of the possible economic nightmare it could lead

to," he told the Afrikaanse Sakekamer general meeting last week.

Jansen made the appeal against the background of the "reality that we do not necessarily have people who have the experience and expertise to take up senior positions".

He said it would be a sad day "if these people are appointed purely because of a political ideal

and on the grounds of colour. Apart from the stupidity of doing it, it will be nothing other than reverse discrimination."

Jansen said it was not the discrimination aspect that bothered him so much as the fact that South Africa could lose competent people in critical posts as a result of an ill-considered political ideal.

South Africa had built up an extremely effective state machin-

ery, he said, although he conceded it might be large, cumbersome and ineffective in certain respects.

But it worked: "You can register a birth, you can search for a deed and find out who is the owner of a property, you can find out who the directors of a company are — it is available. This basic bureaucracy regulates our economic system and ensures that we can act in a disciplined manner," he said.

CT(BR) 13/3/95

Tongaat creates black business worth R120m

CT 14/3/95 (BR)

BY DAVID CANNING

ASSISTANT EDITOR

Tongaat Hulett's black economic empowerment programme generated business worth R120 million for black sub-contractors in 1994.

This was disclosed by Johannes "JB" Magwaza, group executive director responsible for the twin-pronged programme, at a recent meeting of the Kwa-Zulu/Natal Chamber of Business's Corporate Forum in Durban.

The programme has included the passing of control of its Supervision catering division to black entrepreneurs and a number of subcontracting or "outsourcing" deals, which include washing of company overalls, trucking and supply of various components.

Magwaza, who is also national president of the Institute of Personnel Management, emphasised that Tongaat had not adopted its black empowerment programme out of benevolence. The initiative made business sense.

In fact, companies that neglected to implement such programmes did so at their peril.

Tendering, for example, was increasingly dependent on a company having an empowerment programme.

So was the securing of overseas business. Increasingly the company was being called on to disclose its record in black economic empowerment when it applied for contracts.

Tongaat had scored several times

(176) because of its activity in the field.

Magwaza said he monitored the performance of each of the group's seven main divisions every week on black empowerment issues. He reported on progress at monthly board meetings.

Magwaza said Tongaat Hulett had run into a steep learning curve in its implementation of its empowerment plan and problems it had encountered at times included:

□ Criticism when it had favoured its own staff for empowerment. This was a deliberate policy as "charity does begin at home";

□ The problem of greed. Months of work on lining up a project had been jeopardised because would-be entrepreneurs, with "crocodile-like teeth" had wanted too big a cut. As a result the group would be vigilant in analysing any individual wanting to subcontract to it;

□ Lack of finance, a persistent problem. Little money had been forthcoming from foreign sources despite promises last year of substantial amounts. As a result Magwaza had to turn to normal sources of finance such as the SBDC, Development Bank and merchant banks.

Magwaza said the group's vision for its empowerment programme was the development of a South Africa where a substantial number of enterprises — of all sizes — were wholly or partly owned by black entrepreneurs.

"This will lead to economic growth and improved levels of employment across the country," he said.

Coloureds critical of labour policy

(176)

CT 27/3/95

FRAN BOTHA

AFFIRMATIVE action policies are being sharply criticised by coloured people in the Western Cape.

They feel "disenfranchised", says Ms Elizabeth Milne of the Affirmative Action Alliance, because present policies are providing jobs for black people, rather than the Cape's coloured majority.

Ms Milne said white decision makers were perpetuating discrimination in a different form.

"It would be unrealistic to assume that coloureds could have preferential rights, but the business community needs to address these wrongs for the empowerment of all South Africans."

An affirmative action seminar aimed at dealing with problems specific to the Western Cape will be held on March 30 at the Nico Malan from 3.45pm to 6.00pm. For further information contact Pam or Mervin Herr on 782-5892.

Coloureds in crisis

WJM 24-30/3/95



Affirmative action is not favouring apartheid's orphans

(176)
WJM 24-30/3/95

Weekly Mail & Guardian Reporters

COLOUREDs are being discriminated against in the private sector's affirmative action (AA) scramble for African faces, particularly in lower level jobs, say leading personnel agencies.

Although AA theoretically benefits all disadvantaged people, the majority of companies want Africans, and agencies often use factors like language, place of residence, education, and surnames as indicators of whether an applicant is "black enough" for a position, they say.

Alec Rubenstein, head of the AA committee of the Association of Personnel Service Organisations (Apsol), says Apsol policy does not allow personnel agencies to handle assignments which specify a certain race group unless the company seeking staff can justify their discriminative AA policy, for example, a company which has only coloured or Asian workers in a particular job category and wants to employ more Africans, as is often the case in the Western Cape.

But agencies say companies are pressuring them to send African applicants — coloureds do get jobs, but only if African applicants do not have the required skills, or the potential to learn them.

One prominent human resource consultant, who has knowledge of over 2 000 companies, says 90 percent of companies looking for AA appointments want Africans only.

Colln Leeson, MD of Right Link Appointments, agrees Africans have priority in 90 percent of AA appointments.

"Companies are working on statistics. They have to get African people into senior management because they have always been in junior management or lower positions; coloureds previously had more opportunities

to get management jobs," he explains.

Executive Task Force MD John Clements believes the majority of companies ask for Africans because they are trying to be politically correct, and to them that means hiring Africans.

MD of Enmannuel's Business Unit, Barbara Silverman, confirms the trend, adding that it is because AA dictates that personnel have to reflect the population's demographics. "This means that 80 percent of the employees must be African."

PAC MP Patricia de Lille believes the discrimination against coloureds is more the exception than the rule, but says it has led to a spate of racist job advertisements.

In the Western Cape, many companies advertise for Xhosa speaking applicants — immediately excluding many people. "A lot of coloureds don't speak the language simply because they weren't taught it under the apartheid system," she says.

All agree that the lack of a universal definition of AA contributes to the problem, as each company implements its own version of the policy. They condemn the blind favouring of Africans, and confess it can sometimes call for awkward judgments of a person's colour.

Says Clements: "I don't really know how we measure. We do it so subtly, we don't think about it. Sometimes the surname gives you a clue, but not in all cases. We mostly leave it to the client to decide whether an applicant is African or coloured."

So does Right Link Appointments. "The applicants define themselves. If not, we look at schooling, surnames and variables they attended, or the area from which they come," says Leeson, adding that he can "tell", mostly, when they come in for a job interview.



"Coloureds struggled in the past ... and we'll struggle in the future", laments this aged resident of Bosmont, Johannesburg

PHOTOGRAPH: HENNER FRANKENFELD

Rubenstein says agencies should take the applicant's decision on it. "We honestly tell the applicant of the company's policy and send them out for the job interview if they say they are African."

The Government has no such policy. All people of colour are being considered for the 11 000 positions advertised by the Department of Public Administration and Service. "If we make a distinction, for instance on surnames, the discrimination would be back but in another form," says PR Manager Basetsana Thokoane.

According to business transformation consultant Christo Nel of Interdependence and Transformation in South Africa (ITISA), which deals with leading companies like South African Breweries and Lever Brothers, the perception of discrimination against coloureds will persist until the mechanics of appointments are opened. "All people in a company have to be involved in determining AA strategies," he says.

FURTHER HONOURS FOR PINOTAGE

Veritas Gold
Fleur du Cap Pinotage 1990 was honoured with a 1994 Veritas Gold Medal.

"The Wine Spectator" — USA

This leading American magazine reported that at a US tasting of 21 Cape Pinotage wines, the highest points were awarded to Fleur du

Affirmative action 'loaded'

(176) CT 4/4/95

THE term "affirmative action" is too politically-loaded and should be replaced with "furthering access to equal opportunities", a Constitutional Assembly committee agreed yesterday.

During discussion of a report on "equality" in the final constitution, the committee on the character of the democratic state was told by one of its technical experts, Professor Hugh Corder, that parties felt "affirmative action" carried too much political baggage.

The ACDP and the IFP have used "access to equal opportunities" in their submissions, with the IFP advising against the use of "affirmative action". — Sapa

'Affirmative action' is ⁽¹⁷⁶⁾ too loaded

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The committee decided to postpone a full discussion on the report until it has been finalised by a sub-committee and technical experts. — Sapa.

Affirmative action given a new name

CAPE TOWN — The term "affirmative action" was too politically loaded and should be replaced with "furthering access to equal opportunities", a Constitutional Assembly committee decided yesterday.

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(176)
too much political baggage.

The African Christian Democratic Party and the Inkatha Freedom Party have both used "access to equal opportunities" in their submissions, with Inkatha going as far as to advise against the use of affirmative action. *BD 4/4/95*

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**Unravelling
affirmative action
... Lucy Baloyi
convening a
commission at the
Women in the
Workplace
conference.**

PICTURE: NATASHA PINCUS

Affirmative action put under the microscope

^{(176) 5/4/95}
For some women, affirmative action is more than just about race and gender. It is also about giving comfort to the uncomfortable and troubling the untroubled.

Trying to unravel the sensitive and often emotionally flammable issue of affirmative action was not an easy task for the hundreds of black and white women who gathered at a Women in the Workplace conference held by the Transitional Metropolitan Council in Johannesburg last week.

Other issues discussed included: Women and health; sexual harassment; child care; the Bill of Rights and training and development and the multiple role of women.

Lucy Baloyi, member of the Strategic Management Team on Health, asked delegates what affirmative action meant to them or what its definition was.

Women gave wide-ranging replies. One said: "It is a process of making the uncomfortable comfortable and in the process troubling the comfortables."

"But who are the comfortables?"

asked Baloyi.

"Whites," some women shouted. "No, they are the males and don't forget black males too, not just white," another woman contradicted.

She added that it was painful but true, that Indian and Coloured women were given more privileges than African women in the past.

Summarising the issue succinctly, another woman said it was a matter of "righting the wrongs of the past".

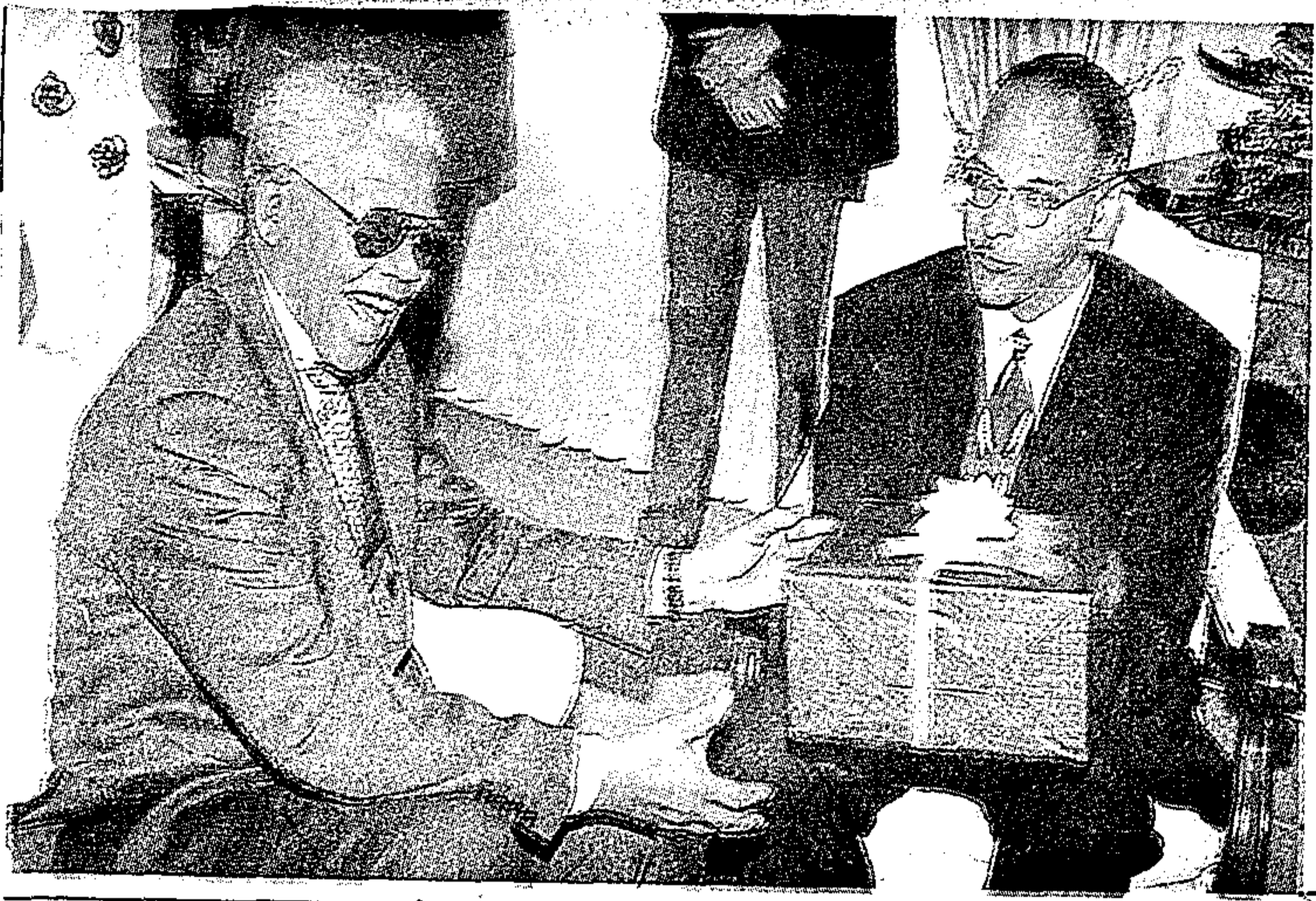
She felt that affirmative action should be viewed in a positive way because it was about "affirming" and enabling rights to happen. But she added that with affirmative action came change, and change, more often than not, made people uncomfortable.

"Most people resist change, this is part of human nature. It makes them feel uncomfortable." This did not just apply to whites but also to many blacks who had become used to their way of life and mediocre positions.

GLEND A DANIELS

Some recommendations the commission made:

- Opportunities for training should be made available to a cross-section of people, not just middle management, but also cleaners for example.
- Training must be "people-driven" and decisions should not be taken by managements alone.
- Confidence and assertive training workshops for women need to be implemented by companies and government structures.
- Discriminatory terms like "graded" and "ungraded" workers should be abolished.
- Have career guidance and career-path planning for people who need it.
- More money and time from the private sector and government need to be spent on training and development.
- Training must not be done in isolation — there must be follow-ups and it must be transparent and finally evaluated.
- Special measures are needed to ensure that affirmative action policies are implemented.



Affirmative action energetically pursued

ARG 6/4/95

(176)

Political Staff

THE Department of Mineral and Energy Affairs is oiling the wheels of affirmative action.

Companies tendering for oil prospecting rights in terms of South Africa's Offshore Licensing Round have to, among other conditions, provide bursaries for post-matric students to study subjects relevant to the petroleum industry.

At question time in the assembly yesterday, the minister, Pik Botha, said this was a step towards addressing the serious shortage of students in mining and related subjects at universities and technikons.

He said his department was committed to a more representative public service.

The services of specialists in equal opportunity programmes, from institutions such as Eskom and the Council for Scientific and Industrial Research (CSIR), had been used in the evaluation of candidates and drafting of shortlists for posts advertised through the Public Service Commission's recruitment programme.

Since last April the percentage of people of colour employed in the department had increased from 7,6 percent to 26,1 percent, Mr Botha said.

Employers warned on affirmative action posts

Jobs for Xhosa-speakers only 'will cause race tensions',

AKU 12/14/75

(176)

MICHAEL MORRIS
Political Correspondent

WESTERN Cape employers have been warned that excluding coloureds and Indians from affirmative action appointments by limiting new jobs to "Xhosa-speakers" could generate racial tension.

This warning was delivered by Western Cape Premier Her-nus Kriel in debate on the budget in the provincial parliament yesterday.

ANC ministers and legislators endorsed the warning.

Minister of Sport Lerumo Kalako said Western Cape companies which restricted new posts to Xhosa-speakers were being racist and discrimi-

natory and should be reprimanded.

The ANC, he said, had always insisted that all oppressed groups should benefit from affirmative action.

Mr Kriel urged the private sector to take care in applying affirmative action "because it does not just mean black people must benefit".

If this warning was not heeded, "we will simply increase racial tension, and nobody will gain", he said.

Mr Kriel added that affirmative action was a process whose results could not be achieved "overnight".

"But people must be brought in as fast as possible to gain experience and training.

"There is no substitute for

experience and the essential thing is that people be given the opportunity for in-service training so that we can maintain standards during the transition."

ANC legislator Yusuf Gabru said the ANC had always believed the needs of all previously disadvantaged groups should be met through affirmative action.

"We never said affirmative action was for coloured people," he said.

Another ANC member, Russell McGregor — who warned that unless there were fundamental changes in the public sector, fine-sounding programme (RDP) policies were "doomed to fail" — suggested that a freeze be put on the wages of civil servants earning

more than R6 000 a month, while those earning less should have increases.

Every department should also have an affirmative action plan and progress should be monitored.

Leader of the House and Minister of Housing Gerald Morkel disclosed that a new provincial committee had been set up to consider a "huge pile" of applications for posts in the provincial legislature.

At its first meeting yesterday, it had concentrated on how to meet the affirmative action challenge.

"I want to assure everyone of this province and will, and must, take place," he said, adding that it was not the sort of thing that could be achieved overnight.

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Godsell warns against 'lumpen affirmative action'

(176) CT(BR) 13/4/95

By DAVID CANNING

ASSISTANT EDITOR

A warning against "lumpen quota approaches to affirmative action" was sounded last night by Anglo American director Bobby Godsell.

Addressing the graduation ceremony of the University of Natal, where he received an honorary doctorate in economics, Godsell said affirmative action was positive where it meant taking down racist barriers and hunting down talent in every corner of the community.

However, he said, "when the phrase means a new pattern of discrimination it will only be to the detriment of all.

"Black South Africans of talent and ability want to shape their futures by their individual efforts and because of individual aptitude, not because of their skin colour."

Enthusiastic advocates of quotas would be well advised to closely study the experiences of Afrikaners in this respect.

The wealth gap began closing only when Afrikaners started to escape from "their affirmative action ghettos in the state or state-patronised employment".

He said the current challenge to expand the economy by three to five times would not be achieved by changing the skin colour of the elite.

"South Africans of all colours have to learn to do more with less, to produce more efficiently, to compete globally, to co-operate successfully.

"It's about paradigm shift, not skin pigmentation."

Godsell's overall message was optimistic, stressing that South Africa had "come of age". It had a people intent on discovering in



COLOURBLIND Godsell, who advocates a paradigm shift

each other a common humanity and a shared patriotism, and a president who was an outstanding international leader.

The country also had a leadership role in a continent in the grip of a second liberation, an economic, social and political liberation, which would do for Africa what the past 50 years had done for Asia.

Godsell said graduates should not feel dazed or dismayed by affirmative action.

They had received a world-class education that would help to complete South Africa's miracle.

He cautioned, however, that graduates would find a degree was no longer the ticket to a good life.

"What is at issue today is not what you know, but how good you are at accessing and then using knowledge.

"It's no longer important what you think, but how you think."

Affirmative action is on wrong path — researcher

BD 19/4/95 (176)

AFFIRMATIVE action, as defined by those advocating such a strategy, would target a few educated, middle-class blacks, whereas a policy aimed at uplifting economically disadvantaged people would have a far greater positive effect, Centre for Policy Studies researcher Khehla Shubane says.

In a centre document, *The Wrong Cure: Affirmative action and SA's search for racial equality*, Shubane suggests instead a policy of encouraging a culture of learning to ensure recruitment based on merit, while bending the rules for the very poor and disadvantaged to enable their economic participation. This would be based on earning capacity, not race, and would be a short-term strategy to uplift people to a level at which they could help themselves. Shubane attacks affirmative ac-

ERICA JANKOWITZ

tion for its implied judging of different race groups by different standards, when it was "imperative for SA to proceed speedily to a point where there is one standard by which all people are judged".

He criticises affirmative action policy documents by Sacob and the Black Management Forum for targeting groups rather than individuals in fighting the past's wrongs.

After all, not all black individuals suffered in the same way and to the same degree under apartheid and, by the same token, not all whites benefited from the system.

In an era in which SA was trying to discard its racial bias, the selection of people for jobs on racial lines was anathema, as it would probably achieve the outcomes from which affirmative action strove to distance itself, he said.

"Apart from all else, racially derived standards will once again give power to the wrong people: the bureaucrats who would have to administer the system."

In addition, it would be demeaning for those blacks who succeeded despite apartheid to be lumped together with others who were kept back and judged by the same standards, Shubane argues.

Affirmative action was also limited as it did nothing to address the real issue of blacks not owning or controlling corporations and so not being considered indispensable participants. A measure to increase equity ownership by blacks was an important component of changing structural relations and so ensuring equal opportunity and participation.

Shubane concludes by calling on advocates of affirmative action "to reorient their focus on blacks to a focus on the poor".

Northwest education proposals being studied

INGRID SALVADO BD 19/4/95

THE Northwest education department was finalising its position on provincialisation and had already submitted its recommendations on new legislation to the state legal adviser, a department spokesman said last week.

The province's recommendations on organisational structures in education were being studied by the Public Service Commission, and finance experts and teachers' unions were scrutinising the department's budget, he said.

The department had established facilitator teams to examine, among others things:

- A personnel system to administer recruitment, employment and service conditions of staff;
- Education and information;
- A system for provision, maintenance and renovation of physical facilities;
- Infrastructural systems for providing books and conducting examinations; and
- Computerised systems.

The department would shortly appoint its senior staff, including the deputy director-general and chief directors of education and training and administration, finance and facilities.

The province was aiming for a pupil-teacher ratio of 35:1 in secondary schools and 40:1 in primary schools. Provincial statistics on the influx of pupils into schools this year were being collated, the spokesman said.

Labour forums 'must still rid SA of workplace apartheid'

RENEE GRAWITZKY

REMNANTS of the "apartheid workplace regime" had to be removed and this could be achieved by the establishment of workplace forums, SA Labour Bulletin representative Karl von Holdt said at a recent workshop at Witwatersrand University.

Speaking on "ungovernability in the workplace, ungovernability in the union", he said initial research indicated that certain aspects characterising the nature of trade union struggles in the 1980s, had continued into the '90s.

In the '80s, trade union struggles had focused on establishing unions which engaged in collective bargaining as well as a political struggle of resistance and un-

governability. The political action could not be contained by institutional arrangements, as could the labour "struggle", von Holdt said.

PD 19/4/95
In this climate of resistance the unions themselves became ungovernable and divided on numerous issues.

Division existed in any active trade union organisation in the world, however.

In essence the 1990s style of ungovernability was created by politics of resistance where unions resisted any suggestions proposed by management. That style of politics tended to be coercive, he said.

By the end of the 80s, union organisation was not very stable.

The maintenance of a strong union movement entailed constant efforts to build unity, to ensure structures were in place and operating, and actively organising members.

Von Holdt said that by the start of the 1990s unions had attempted to begin restructuring the workplace in a highly technical manner, which failed to take into account the history of militancy and instability in the workplace.

Unions had found it extremely difficult to build strategic programmes as well as address worker divisions and "keep the

base together", he said.

Management, on the other hand, had refused in most cases to enter into discussions on restructuring. Instead, initiatives were unilaterally implemented, which actions attempted to further destabilise the union movement, union structures within the workplace and ultimately the industrial relations climate.

Management efforts to improve productivity, quality and morale had failed.

Von Holdt said that against this background it was crucial to strengthen union structures and to ensure that worker rights — such as meeting facilities during working hours — were achieved.

Plan to 'guarantee' black graduates

COMPANIES looking to employ qualified employees in affirmative action positions are finding enormous benefit from a project currently under way at Boston City Campus, says director Ari Katz.

The Guaranteed Graduate Scheme, launched last July, enables companies to invest their money with an excellent return, he says. At the end of students' studies, sponsors are guaranteed that they will have a specified number of graduates.

Business Day Reporter

The purpose of the scheme is to select top black students and provide specialised support to ensure they obtain their degrees. They also gain corporate skills, literacy, numeracy and problem-solving skills, study skills, computer literacy and interpersonal skills, which improve their standards of work in the accounting profession and corporate world.

"These accounting and

commerce students are tested and selected according to the most stringent requirements before being taken on by the scheme," Katz says. Potential sponsors are then able to interview candidates according to their needs.

Project co-ordinator Linda Green says many companies are employing their sponsored students on a part-time or vacation basis, with the result that the students are familiar with the working environment by the time they graduate.

6020/4/95

In trouble for aiding blacks

BY DESMOND BLOW

(176) CP 23/4/95

A WHITE manager who strove to implement affirmative action at Western Deep Levels gold mine in Carletonville has been suspended by Anglo American after rightwing subordinates brought "incompatibility" charges against him.

Frik van Rensburg, the regional materials manager at Western Deep in Carletonville, has been called before a disciplinary committee to answer charges that he failed to greet his white subordinates and was rude and inconsiderate to them.

Van Rensburg (44), a married man with three children, has written to the regional general manager, Jim McLuskie, and the Anglo American chairman, Julian Ogilvie-Thompson, explaining the true reasons for his suspension, but his letters have been ignored.

One black colleague of his, who asked not to be named for fear of reprisals, said: "Van Rensburg was implementing affirmative action against great resistance, but since his suspension in January all affirmative action has stopped."

He said that workers had complained to the financial and administrative manager Peter King, "but he ignored their complaints, he will not hear anything said against these white racists".

City Press approached Anglo American Corporation this week and asked for a comment from Ogilvie-Thompson, but received a reply instead from James Duncan, public affairs manager for Western Deep Levels, who refused to answer any queries other than to confirm that "an enquiry into certain allegations against Van Rensburg is in progress".

NEWS & INTERNATIONAL

'No one will be fired in JCI affirmative action'

CT(BR) 24/4/95 (176)

Despite the prospect of a major black shareholding, the group's biggest asset - existing staff - will be retained, says MD

BY DEREK TOMMEY

MINING EDITOR

Affirmative action at JCI does not mean replacing any existing staff with black people, said Bill Nairn, managing director.

Nairn was speaking at a presentation last week on the new-look JCI that will follow the mining house's unbundling next month.

The unbundled JCI could have a significant number of black shareholders because its parent company, Anglo American, has invited black groups to take a stake in JCI. Some investors have expressed concern that changes in JCI's shareholders could lead to a

drive for black advancement and the loss of key white personnel.

"We've worked very hard at JCI in the past six months talking to our people and convincing them that for JCI to be successful we have to retain every job," said Nairn. "No investor would be interested in getting involved in JCI without its most important asset and that, obviously, is the guys who run it."

Nairn said no one had left JCI as a result of fears about black advancement. "But as JCI grows it will be looking to fill vacancies with black people to get the complement structure in keeping with the country's structure."

The presentation was told that

about 5 percent of JCI's managers and senior supervisors were black. But well over 50 percent of its learner officials, learner miners and apprentices were black. And more than 74 percent of its intake of apprentices were black.

The existing JCI is to be split into three companies - JCI, which will hold the mining interests, Johnnic, which will hold the industrial interests, and Anglo American Platinum, which will hold most of the platinum interests.

Nairn made it clear that the new JCI would be a powerful mining house with its eyes set firmly on strong growth.

He said black investors were showing increasing interest in acquiring a stake in JCI.

However, there was wide-

spread lack of understanding of what was involved and JCI was active in giving presentations to black groups.

The key to JCI's future was growth, he said. "The company possesses a world-class portfolio of managed mining assets and focused mining, managerial and technical expertise."

He said JCI would be the seventh largest gold producer in the world, contributing about 10 percent of South Africa's gold output and around 2.5 percent of global output. In 1994 its gold operations produced some 54 tons or 1.7 million ounces of gold.

The combined after-tax profit from gold mining amounted to R501 million, of which JCI's share was R150 million.

FORGERS 11

Councillors want greater affirmative action focus

Municipal Reporter (176)

THE appointment of consultants to do the work of the Cape Town city council is coming under increasing scrutiny by city councillors who feel more effort should be put into affirmative action. (215)

At a discussion during which the go-ahead was given for planners to continue work on an integrated metropolitan transport plan for Cape Town, a number of councillors expressed their concerns that not enough was being done to make work available to new firms. ARCT 25/4 95

The plan will focus particularly on the public transport needs of the city.

Leon Markovitz of the National Party suggested that more experienced firms should be linked with previously disadvantaged firms because of time constraints.

But Ernest Sass of Cosatu suggested firms could easily pay lip service to affirmative action by just appointing someone in "public relations" without actually building capacity.

His sentiments were echoed by Faldiela de Vries of the SA National Civics Organisation who said the fact that some firms had not done certain work did not mean they did not have the capacity.

Clive Keegan of the African National Congress said that an affirmative action protocol, which was in the process of being drawn up, was urgently needed to guide the appointment of consultants.

ET 26/4/95
Parliament jobs:
80% reserved

(176)

PARLIAMENT's affirmative action recruitment policy reserves 80% of jobs for Africans, coloureds and Indians, Parliament's head of labour relations, Mr Eshaam Palmer, said yesterday.

Half had to be filled by women.

Sapa

'We are all learning to work together'

School integration making the grade

Star 27/4/95

BY LEE-ANN ALFREDS
EDUCATION REPORTER

Travelling from Langlaagte Technical via Riverlea High to Athlone Boys is more than just a drive.

It is a symbolic, accelerated journey from the present to the future of schooling in the new South Africa.

One year into the new democratic dispensation, the three schools trace the symbolic path that integration has started taking, and will most likely follow in its long walk to building a new society.

On the first step of the path, and indicative of the vast majority of formerly whites-only schools, is Langlaagte Technical High School.

The formerly conservative Afrikaans school, which has been integrated for only 14 months, is still battling valiantly to break with the shackles of its apartheid past.

But large numbers of black students and widely differing backgrounds have placed severe strain on serious attempts to weld together a united school community.

Still, the school, like the country, has come a long way since the days of Bantu Education.

"I am very proud of my school. Pupils have been forced to adjust, but we are learning to work

APART from isolated incidents, there are no racial tensions, maintains one school principal

together," principal Dawie Pieterse said.

Further down the path of integration are the formerly coloured and Indian schools such as Riverlea.

Pupils here had a longer time to get used to mixing with other races, but a marked increase in black scholars this year led to increased tensions.

"We have not had any major racial problems, but there have been several isolated incidents this year where derogatory terms are used to label some students," principal James Bouah admits.

These incidents have definitely affected the relationship between students, sowing division and wariness at the school.

"It is not that nice. Not everyone is rude, but we are often called kaffirs by some scholars and teachers. It makes you want to not come to school," one pupil said.

But there is light at the end of the tunnel.

This comes in the form of Athlone Boys High and others which

have experienced both stages and lived to tell the tale.

The Model C school with its overwhelming number of blacks has not suffered any major setback because of integration, other than the loss of a significant number of white pupils.

According to principal Louis van Wyk, the school has experienced many firsts since last year.

Their achievements in sport have made history, they have a higher pass rate, and school projects have the wide support of parents.

Even racial problems, which still surface from time to time, are easier dealt with, Van Wyk said.

"We still have some wariness and very few whites enrolling, but things are working. I have never been happier at this school than in this past year," he said.

Gauteng Education Ministry spokesman Nkoana Maloka confirmed that the integration of schools had gradually become easier.

"There were problems at the beginning of the year which the department had to deal with. In most cases we managed to intervene decisively and now things are going as planned. The situation is not yet an ideal one, but we are getting there," he said.

Mature look at affirmative action

BY BOBBY BROWN

Affirmative action campaigns and the new Government have done nothing to help Zunaïd Seedat find a job, but he believes people shouldn't wait for things to happen, but should make them happen.

Seedat (26), a signwriter and stock controller from Mayfair in Johannesburg, has been unemployed since March last year.

He believes affirmative

action is undoing the wrongs of the past, but says he does not depend on it entirely.

"Whites are now complaining that blacks are getting preference for certain jobs, and they are saying that skin colour should not have anything to do with the employment process.

"I wonder why they never had the same point of view a few years ago when the same applied in their favour?"

Seedat was retrenched

(176) Star 27/4/95
from his signwriting company in 1990 and has since been doing various part-time jobs, "but I need a steady income".

He said things had been terrible for him and his family over the past year.

Seedat said he had a lot of faith in the new Government, but added that people were expecting too much too soon. "The Government must be given time. I am prepared to wait."

IEC of

BY HELEN GRANGE

A year since the eve of the aftermath of the national election continuing for the handful of remaining Independent Electoral Commission staffers.

It's a matter of settling accounts — and a string of litigations are in the pipeline, launched by the IEC and by companies against the IEC.

IEC executive director Norman du Plessis said this week that this was normal in the wake of

AFFIRMATIVE ACTION POLICIES CONDEMNED

'Tokenism in business'

(176)

AFFIRMATIVE ACTION policies are designed around tokenism, it is claimed. **FRANCOISE BOTHA** reports.

AFFIRMATIVE action policies have been set up "to get the numbers right" rather than meet the need to empower people, says the Western Cape Black Management Forum (BMF).

The Department of Business Economics at the University of the Witwatersrand Business School has released the results of an affirmative action survey of 1 500 medium to large businesses. The BMF claims these companies have affirmative action programmes that are destined to fail.

The results of the survey conducted countrywide reveal:

- 85% of businesses adopted an affirmative action policy out of

fear of government or legislative requirements.

- 80% thought that implementing the policy would help them gain favour with the government.

- 68% believe it will result in no direct benefit to their organisations.

- 70% follow a voluntary quota or target approach.

- 70% believe management will now better understand the needs and be more in touch with the black market sector.

Mr Gavin Pieterse, head of the BMF, said: "These results show us very clearly that affirmative action policies are designed around

tokenism".

While all organisations responded that they recognised black men and women as the beneficiaries of affirmative action policies, only 13% recognised the needs of coloureds and Indians.

In addition, many industries in the Western Cape, like the wine and clothing industries that have traditional links with their coloured workers, have not established affirmative action programmes at management level because they do not see the need — more than 80% of their employees are either black or coloured.

Mr Pieterse said there needed to be a change in competency evaluation. "There is no point in using American evaluation tests on prospective employees because

they are not geared for our needs. Competency and skills need to be evaluated on a practical level," he said.

"Unfortunately there is a perception that the human resources departments of organisations are disempowered and cannot be made responsible for affirmative action programmes.

"Without an integrated programme, companies are setting themselves up to fail, because they are not valuing the diversity of a team which results in its creativity, innovation and improved performance."

The BMF will host a conference on Affirmative Action — the Western Cape Dynamics, on May 12. For details contact Pam or Mervin Herr on 782-5892.

CT 28/4/95

Warning on retrenchment

ERICA JANKOWITZ

RETRENCHING white male workers to fill affirmative action quotas will not be condoned by either the Industrial Court or the Constitutional Court, says Wits University law lecturer Joe Campanella.

Writing in the latest Employment Equity Digest by Andrew Levy and Associates, Campanella cautions companies against this course of action saying retrenchment, although not precluded by law, could only be implemented in specific circumstances.

BD 28/4/95
"The question then is really whether or not the concept of 'operational requirements' is broad enough to cover the social, and perhaps in the future the legal imperative to have affirmative action in the workplace.

It is ventured that it is not, unless it is absolutely clear that the replacement of certain white male employees with blacks or women is done for sound economic reasons, in that this form of affirmative action is necessary to ensure the continued viability of the business or will lead to a significant increase in profitability."

Campanella stresses that SA labour law places a high value on job security.

Affirmative action put on ice

ADELE BALETA
Weekend Argus Reporter

PORTNET is to waive its affirmative action policy as an emergency measure to halt the congestion crisis at Cape Town harbour's container terminal.

An inadequately trained labour force, labour disputes and absenteeism have been given as the main reason for the problems at the port.

Portnet management has also come under fire from clients for failing to anticipate and cope with a post-election upswing in container traffic and has resulted in major backlogs at the port.

Shipping line bosses who estimate losses of R80 000 due to delays have threatened to bypass the harbour and take their business to Port Elizabeth. They have also warned of a "congestion surcharge".

Cape Town port manager Neels Hubinger confirmed in a statement that the situation had deteriorated, saying "labour seemed to be the main cause" of the problem.

He mentioned affirmative action, labour disputes and absenteeism as being at the root cause. This has been rejected as "rubbish" by the South African Harbour Workers' Union which has the largest membership at Cape Town harbour.

The union has instead blamed bad management.

Mr Hubinger told Weekend Argus that Portnet had asked its local council to temporarily suspend its affirmative action programme to enable us to employ skilled labour.

He said "100 plus" people need-

ARG 29/4/95 (176)
 ■ Portnet will abandon its affirmative action policy for the time being to bring order back to the beleaguered Cape Town harbour.

ed to be employed in the next 15 months to get the terminal back on track. Critical work areas that needed to be addressed were gantry train drivers, straddle carrier operators and internal hauler drivers.

Portnet was also buying two gantry cranes and eight straddle carriers to upgrade the facilities. More staff was needed to operate this equipment.

The appointments to be filled by skilled people from within Transnet would bolster the workforce from 300 to in excess of 400. Posts advertised in the Press for crane operators stated that prospective employees had to have experience on wharf cranes, straddle carriers and stacking cranes.

Portnet's affirmative action policy was based on the Turn Strategy Programme whereby 70 percent (or two thirds) of all labour employed comprised people of colour. "Most of this labour is untrained and it takes up to two months training to achieve qualifications," said Mr Hubinger.

He said that in Cape Town the programme was implemented by the local Turn Strategy council which consisted of people of all races and included union and management members. There was also a national council.

Permission to waive the policy in the short term came from the council.

The policy placed an embargo on the employment of white people unless an applicant had special skills that were completely unavailable amongst other pro-

spective employees.

For every three people appointed two had to be people of colour and one white. The Turn Strategy Programme did not discriminate on the basis of gender or disability in certain work categories.

In a statement Mr Hubinger said the port had been hit by a wildcat stayaway this week when workers marched to protest the proposed privatisation of South African Airways on Wednesday.

Last Friday 25 crane drivers were scheduled to work, and only five turned up in the morning and 12 in the afternoon. "How can you work a terminal if you cannot rely on your labour?" Mr Hubinger said.

Sarhwu — which has the largest membership at the port — has denied that labour is the main cause of the problem.

The union's vice chairman Benno Drümmer said the lack of management foresight in terms of preparing and equipping the terminal for increased volume was at the heart of the problem.

He said all labourers were skilled but management had not made a concerted effort to upgrade these skills. "We have put pressure on the authorities for months and they have only now started to do something about the issue."

Sarhwu had proposed creating a labour pool whereby people who were skilled and had been made redundant could be trained to become multiskilled so that they could fill any post.

■ See Business Section.

NEWS

Public Works to open up contracting

176

Star 3/5/95

■ BY JOVIAL RANTAO

A new roster system, through which consultancy firms from disadvantaged communities will be given access to lucrative state contracts, is to be instituted by the Department of Public Works this week.

The new system was recommended by management consultants Ernst & Young, who were commissioned by Public Works Minister Jeff Radebe to review and redesign the State's principles and procedures in the appointment of private consultants.

An investigation by Ernst & Young unearthed a "high degree of unfairness" in the awarding of state contracts. The probe found that in the past four years, 10 established consultancy firms had monopolised contracts with the department.

Firms which had handled state contracts before — and therefore were deemed to have the experience and skills required — were awarded most contracts.

Ernst & Young recommended

that marginalised consultants be integrated and empowered in a transparent and acceptable way.

This exercise will be the first part of a two-phase programme to restructure the system in accordance with the objectives and principles of the Reconstruction and Development Programme.

To implement the pilot project, certain projects will be identified for the exercise and small private firms will be invited to participate.

In the second phase, a dual roster, for large and small firms, will be established. All registered consultants will be invited to reregister in order to be classified and qualify for consideration for government contracts.

The eligibility criteria for state contracts are competency, a human resources development programme which is intent on developing disadvantaged people, sound social contribution, and black equity holdings of at least 30%.

When companies apply for state contracts, the appointments committee will use these criteria to rate them.

BD 4/5/95

Black deals increase

BLACK economic empowerment transactions have increased sharply in the past two years, with over 20 major deals, including five listings, valued at over R1.5bn according to disclosed figures.

Speaking yesterday at the mergers and acquisitions conference at Midrand, Standard Corporate and Merchant Bank corporate finance director Rob Dow said the momentum was continuing, and new opportunities were arising such as privatisation of state assets. (176)

Mergers and acquisitions were a significant catalyst to bring about empowerment, creating opportunities for equity ownership and control of corporate as-

AMANDA VERMEULEN

sets. "Mergers and acquisitions also open up avenues for black business to gain access to the mainstream of the economy by brokering credible transactions involving established assets with a strong management track record."

In addition, deals involving established assets reduced the risk of failure, he said. Black business would be able to develop a "real" sense of ownership as far as the economy was concerned, and could develop additional constructive partnerships which promoted black ventures.

There was still a lack of capital within the black community, however.



Probert . . . proposed system will exclude many firms

month interim or pilot stage geared towards providing immediate benefit to "disadvantaged firms," would select only black-owned firms and any disadvantaged firm (less than three partners and six technical staff) that has made a positive contribution towards social upliftment activities. Established firms will not be excluded provided they are "committed to a proactive human resource development programme" which means that at least 20% of staff must be black.

Once the plan is implemented, 50% of all consulting projects representing no less than 25% in value will be identified as "pilot projects."

The second or "medium-term" phase — which the document states should be implementable within six months — provides for a formal dual roster system.

This would mean one roster for "established firms" (a project where the consultancy fee will exceed R75 000) and another for "disadvantaged firms" (for projects costing less than R75 000).

The date and value of previous government appointments will be taken into

account to ensure an even distribution of revenue but with a weighting towards black-owned firms.

To be listed on either roster, firms must meet criteria which test competency, capacity, human resource development programmes, social contribution, black empowerment and equity composition. The last three criteria are favourably weighted.

Probert stresses that while his association supports an equitable roster system for government contracts, the proposed system would exclude many firms.

"Small firms (of which there are many) would find it difficult to implement the proposed criteria. Many who rely largely on government work would close if these criteria are implemented."

He adds that the pool from which suitable black persons can be drawn is small because of the low number of students with the required standards in maths and science.

The report states that the department must play a "pivotal role in ensuring the fair and transparent application of the proposed process." It does not, however, quantify the cost of the proposed blueprint — a consideration that could ultimately see the plan come unstuck. ■

AFFIRMATIVE ACTION (176)

Building for disaster

FM 5/5/95
A government plan to use racial criteria in deciding the appointment of consultants for building contracts could see standards plunge and businesses fold.

A report by Ernst & Young, commissioned by the Ministry of Public Works, discloses a blueprint that would see competency take a back seat while rewarding firms with a majority equity held by blacks. Firms committed to social upliftment programmes will also be among the favoured.

But the recommendations are not confined to Public Works. The report states: "Ernst & Young has also been requested to obtain and comment on similar data for other ministries."

Association of South African Quantity Surveyors president Barry Probert says: "The implementation of black empowerment and equity composition as one of the criteria for eligibility for the roster system is one of extreme concern. This would be prescribing to consultant firms their equity composition and shareholding — a dictate that's contrary to the principles of fair and open enterprise."

The proposed system would be implemented in two stages. The first, a six-

NEWS IN BRIEF

Rector 'not suspended'

VAAL Triangle Technikon rector Prof Pieter du Plessis had not been suspended, but had taken a break from his duties "of his own accord", Technikon spokesman Sugan Nair said on Friday.

This was contrary to reports on Friday that Prof du Plessis had been suspended pending the outcome of an investigation into his involvement in claimed financial mismanagement at the technikon.

No phase-down date

TRADE and Industry Department spokesman Charl Nel has denied stating that Minister Trevor Manuel was expected to announce the duty phase-down for clothing and textiles on May 16.

Thousands see show

THOUSANDS of people turned out to view computers and accessories at TML Reed Exhibitions' fifth Computer Faire & Beza show which ended on Saturday.

Organisers said about 31 000 people had passed through the gates by Friday.

About 450 foreign computer companies took exhibition stands.

Avia Airlines takes off

THE monopoly by SAA and British Airways on the Johannesburg-London route will be broken today when SA's newest international carrier, Avia Airlines, starts its scheduled service between Johannesburg International Airport and London's Gatwick.

Avia will operate three weekly return flights on the route.

Avia's fares are 15% lower than those of SAA and BA.

REPORTS: Sapa, Business Day Reporters.

VW takes over as the No 1 seller

60 8/5/95

MARCIA KLEIN

THE buoyant growth in car sales in the first three months went into reverse in April, with a 25,5% decline from March's sales reflecting the numerous public holidays and the fact that sales were historically lower in April.

Nevertheless, industry sources said sales were still 20% up in the first four months compared with the previous year, and this trend was expected to continue, although not necessarily at the same rate.

Figures released by the National Association of Automobile Manufacturers of SA (Naamsa) on Friday showed the 15 740 new cars sold in April to be 25,5% lower than March, but 12,2% up on April last year.

Naamsa said seasonal factors, particularly the number of public holidays and extended long weekends, affected the new vehicle market. New vehicle sales, particularly cars and light commercial vehicles, showed "fairly sharp declines compared to the exceptional sales levels achieved during the previous month".

Volkswagen SA (VWSA) ended Toyota's winning streak, as it sold 3 796 new passenger cars compared with Toyota's 3 004. Nissan sold 2 636 units, Mercedes-Benz 1 908, Delta 1 545, Samcor 1 426 and BMW 1 422. Sales of Hyundai are not reflected.

Sales of light commercial vehicles, bakkies and minibuses rose 27,4% to 8 981 units year on year, but were 28,3% down on the previous month.

There were sharp gains in the low-volume medium and heavy truck segments compared with the previous year and marginal declines com-

pared with March, Naamsa said.

"The SA new vehicle manufacturing and associated industries remained on target for an above average year during 1995." But the rand's depreciation against the yen and the mark "had raised the cost of the industry's imports by about 20% in the short space of four months and this would inevitably translate into further pressures on new vehicle prices in the months ahead".

Naamsa added the continued growth in the medium and heavy commercial vehicle sectors was "indicative of the ongoing recovery in fixed investment in the SA economy". VWSA said its Citi Golf range recorded its highest sales volume for a single month "to boost the company into top spot in the passenger car market in April, with a total share of 24,1% of the market".

Nissan SA Marketing MD Stephanus Loubser said the downward trend of the rand and the dollar against European and Japanese currencies, which affected pricing and put upward pressure on interest rates, were cause for concern.

"Since the start of 1995 the yen has appreciated by 18,2% against the dollar, and has risen about 10% against the rand since the finrand was abolished." He added the rand's fall against the mark was not as dramatic, but still significant. But growth in gross domestic fixed investment should have a positive effect on vehicle sales, particularly commercial vehicles.

Department will favour black business

(176)

DURBAN — The Public Works Department would implement a consultancy appointment scheme for state projects which promoted black entrepreneurs in preference to established business, Public Works Minister Jeff Radebe said at the weekend.

He said at the launch of the SA Black Technical and Allied Careers Organisation's KwaZulu/Natal branch that the current appointment system favoured large, established

The new system could be duplicated throughout government.

A new system would be imple-

NICOLA JENVEY

mented, and included a six-month pilot scheme effective immediately. It would promote black consultants and firms, developing their human resources by ensuring these consultancies headed the department's roster for work projects.

Black majority-owned firms would be given preference. 60 8/5/95

"We want to initiate a mechanism which benefits the disadvantaged consultant within a very short time, demonstrating our commitment to the reconstruction and development

programme," Radebe said. (256)

He defined "a disadvantaged firm" as one in which the equity majority was held by black partners, or any firm previously prejudiced by the appointment procedure.

Phase two included establishing a dual roster system. Established firms would be on one roster and attract projects with consultancy fees greater than 100 000, while disadvantaged firms would be on a second roster.

Disadvantaged firms would be awarded jobs either from their own roster or as joint venture partners with established firms on larger jobs.

New democracy and EU share celebration

PRETORIA — SA's new democracy and the freshness of the European Union had a lot in common, EU ambassador Erwan Fouéré said yesterday.

Fouéré was referring to today's Europe Day commemoration — an occasion intended to honour the 45th anniversary of the Schuman Declaration, which itself proved the way for Europe's economic and political integration.

"Europe Day coincides with the celebrations marking the first anniversary of SA's government of national unity," Fouéré said.

He said the EU was SA's largest donor, funding 700 projects worth R1,6bn

and earmarking an additional R550m in grants for this year.

The EU was also SA's largest foreign investor and trading partner, according to Fouéré.

It absorbed more than 40% of SA's exported goods.

Diplomatic relations with SA were established in December 1993.

During last year's elections, the EU deployed 350 election observers who declared the election free and fair.

Europe Day will be celebrated today at the University of Pretoria. The Atrium Symphonic Orchestra and the Sebokeng Choir are to perform. — Sapa.

R500 000 for small businesses

THE Trade and Industry Department would give R500 000 to the International Trade Bureau to assist small, micro- and medium-sized enterprises to gear themselves for the export market, bureau chairman Alan Tilley said yesterday.

The bureau which has 68 international associates, is part of the Carlton International Trade Centre. *BD 9/5/95*

Tilley said in terms of the three-year contract with the department, each one of its clients would be given R1 500 a month.

The bureau's export development programme consisted of 23 small manufacturers, but the number was constantly rising, Tilley said.

"For a monthly fee of R3 500 — now less R1 500 thanks to the Trade and Industry Department subsidy — approved clients on the programme are assisted through the administrative minefield of exports."

JOHN DLUDLU

Companies registered with the bureau were offered access to: a worldwide trading network, an international business communication which enabled users to broadcast and receive proposals from potential trade counterparts, a freight brokerage computer programme, concessions on freight forwarding, travel and advice on government export incentives.

A departmental spokesman said yesterday every effort should be made to find suitable markets for goods manufactured by small enterprises.

The small business sector had emerged as the flagship programme of the Trade and Industry Department following the release of the government's policy framework to promote the sector's development.

Advice for firms' OI affirmative action

ONLY about half the estimated 400 000 new management posts required by the year 2000 would be filled by whites, making it essential for all companies to become involved in developing management potential in the other race groups, says the Strategic Fuel Fund Association.

The association, which manages SA's strategic oil stocks for the Central Energy Fund, warned that few meaningful development opportunities were being given afforded to black managers. This was especially true in areas such as finance, operations and technology. This meant black managers were not given a chance to experience the cutting edge of business operations.

The association recently appointed an affirmative action manager, Lance Dirksen, to identify and develop management potential and place candidates on an accelerated career development path.

Dirksen said he understood black managers, who were portrayed as job-hoppers because very few companies offered real support mechanisms for their affirmative action appointments. The association was intent on not falling into the same trap, he said, but would nurture appointees to make sure they made a success of the programme.

In addition, the management was expected to back programmes uncon-

ERICA JANKOWITZ

ditionally and all workers were assured that affirmative action was not about retrenchment.

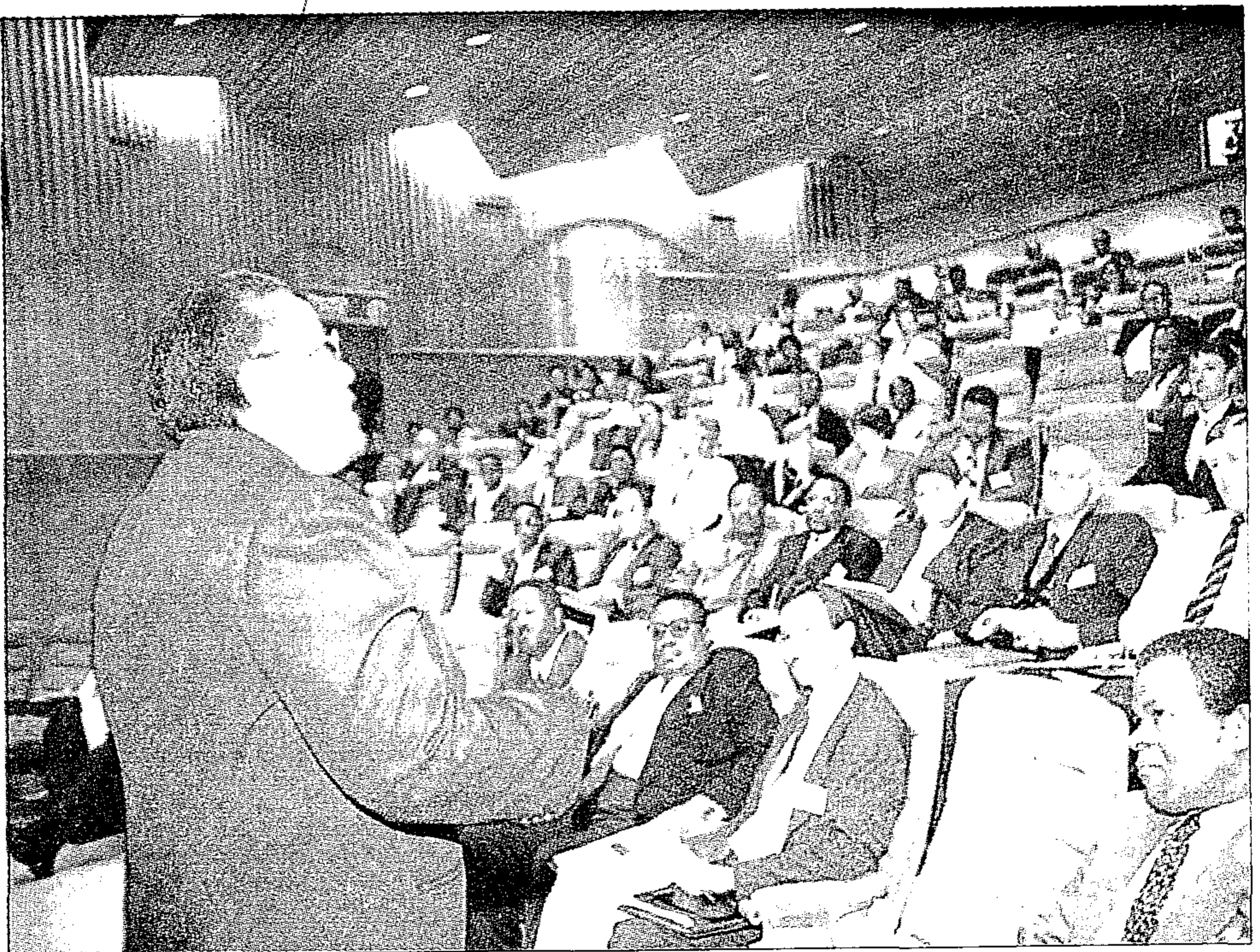
Warnings from legal experts against forcing white males out of jobs to make way for blacks and women on the corporate ladder had not fallen on deaf ears at the association. Instead, an appointments policy was in place to ensure appropriate candidates were selected to join the company.

The association was aware that affirmative action was not merely about appointments. It was, in fact, designed to give appointees the opportunity to add real value to the organisation. Appointees should puncture the myth that they had been given management positions only to fill a company quota. They needed to become results-driven and perform beyond expectation, Dirksen said.

"Affirmative action is not about fads, morals, levelling playing fields or moving goal posts, but about developing a growth strategy that will result in the business becoming world class and competitive by investing in human potential."

Dirksen felt he was the right person for his job at the association, coming as he did from a previously disadvantaged population group.

h t t p : / / w w w . s a p a . c o . z a



SENSITIVE SUBJECT Minister Stella Sigcau says the government cannot bind itself to a time frame for restructuring

PHOTO JOHN WOODROOF

End to 'whites only' govt consultants

CT(BR) 9/5/95 (304) (176)

BY THABO LESHLO

STAFF WRITER

The government's policy on consultants, which still favours the exclusive use of a few white professionals and large, white companies, is to be radically changed to enable access by black people, Jeff Radebe, public works minister said in Johannesburg yesterday.

"It is of vital importance that the issue of affirmative action be addressed when developing new criteria for the appointment of consultants," Radebe told a summit on

black business. He said current criteria, which focus solely on technical competence, needed to be changed to link product delivery with nation building.

To this end, the government would revise its roster of consultants and a phased approach, starting with a six-month pilot scheme, would be adopted to enable blacks to consult to government.

Radebe told the summit that the Agreement Board, aimed at evaluating "unconventional" construction processes and products, was in the process of being restructured to

ensure that its activities were located within the ambit of the RDP.

"The issue of small contractor development is high on the agenda of the government of national unity and we believe that an institutionalised contractor training programme, done in partnership with the private sector, is vital for the development of small contractors."

Speaking at the same conference, Stella Sigcau, public enterprises minister, said it was not possible for the government to bind itself to a fixed time frame for the restructuring of public businesses.

Given the sensitivity of privatisation and the fact that the government still controlled a huge chunk of the economy, it was necessary to consult broadly to avoid making mistakes. Most importantly, care should be taken to ensure that such restructuring benefited previously disadvantaged communities.

Ben Turok, Gauteng RDP commissioner, said that although the government welcomed the emergence of strong black business, care should be taken to ensure that development did not only benefit the black business elite.

Black business told to avoid elitism

176

20 9/5/95
THEO RAWANA

BLACK business should avoid the monopolistic corporate structures of the apartheid era and emerge as a pyramid with a broad base where smaller business enterprises would also benefit, Public Works Minister Jeff Radebe said yesterday.

Radebe was addressing the Black Business Summit at Midrand, where another speaker, reconstruction and development programme commissioner Ben Turok, warned the new SA against following the Nigerian route, where black business development became elitist.

Radebe said a recent study had shown that there had been a substantial increase in incomes for the top 10% of blacks.

"In 1991, the bottom 40% of the African population received 6,4% of total African income, while the top 10% of the African population received 46,6% of the total African income. This means that the poor are getting poorer and the rich richer."

He said this process was far less pronounced among Indian and coloured people, while among the white population there was a clear and substantial impoverishment at the lower levels.

"We draw attention to this data, not to begrudge the acquisition of higher incomes by Africans or anyone else. Indeed we welcome the growth in wealth by individuals from disadvantaged communities.

"But... we have a responsibility to ensure that wealth acquisition is not accompanied by greater inequalities than existed in the past.

"We ask black business to be socially responsible so that all will benefit from an expanding economy, so that people who do not have paid jobs can also find a place in the sun.

"Government will make use of supply side measures to assist industry in capacity building and training workers in the use of technology.

"Government will also encourage entrepreneurs to enter manufacturing since the restriction of small and medium enterprises to retailing and distribution will severely inhibit the growth and viability of this sector."

Turok said: "There is a progressive element in the emergence of a black business class as a counterweight to the inherited white power bloc in the economy." However, democratisation of the economy and society meant empowerment of lower level structures. "We do not want to build black business on the back of cheap labour policies, massive unemployment which serves as a reserve army of labour to keep wages down and similar injustices."

Sapa reports Public Enterprises Minister Stella Sigcau told the meeting at least 40% of the economy should be owned by the historically disadvantaged sector of the population by 2000.

She said SA should follow Malaysia's example in restructuring its economy. Malaysia had set a target of 30% ownership of the economy by disadvantaged people and achieved this in 1990. Malaysia had historical social divisions and economic structures similar to SA's, she said.

"There is a need to move from minimum control to an economy that encompasses all people," she said, proposing a national economic programme which would draw in the whole population.

Economic restructuring should precede privatisation initiatives, Sigcau said.

The MINISTER FOR SAFETY AND SECURITY:

Latest specified period of 12 months: 1 April 1994-31 March 1995

- (1) (a) No.
(b) Yes.
- (i) The Transport and General Workers Union (TGWU) proposed changes in regard to the constitution of the Security Officers' Board.
- (ii) Working groups were appointed to investigate the matter and to make the necessary recommendations.
- (2) (a) Mr A A C Bartmann
Mr J Bishop
Mrs J Ibbotson
Mr D I Puller
Mr P Scilane
Mr E Goldstone
Mr R F Hayward
Mr A B Kishoff
Mr D E Ackerman (Chairman)
1 vacancy
- (b) 1 September 1992
- (c) 31 August 1995
- (3) No, there is no need to appoint a new Board now.
- (4) No.

Affirmative action in the Public Service

188. Mr M F CASSIM asked the Minister for the Public Service and Administration:

Whether affirmative action has been given effect within the Public Service as a whole; if not, why not; if so, (a) in what manner, (b) to what extent and (c) what progress has been made by the Government in this regard?

176 Hansard 9/5/95 N390E
The MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION:

Yes, (a) the application of affirmative action measures as a means to promote broader representivity, have been given effect by the introduction of both a short-term action plan implemented during the first half of 1994 and the implementation on 3 March 1995 of

a policy framework for the promotion of a broadly representative Public Service with a view to addressing this matter over the short, medium and long term;

(b) as regards the short-term action plan implemented in 1994, this entailed the following:

(i) The advertising of approximately 11 000 vacant posts spread over various occupational classes and post levels and the adoption of specially devised policy measures, to ensure that the ultimate filling of these posts will promote broader representivity.

(ii) The granting of bursaries to needy students from the under-represented groups, in terms of the Special Bursary Scheme administered by the Office of the Public Service Commission, in order to recruit persons from presently under-represented groups for careers in the Public Service.

(iii) The advertising of all managerial level posts both inside the Public Service, as well as in the media; and

(c) since the policy framework has only been implemented with effect from 3 March 1995, it is not possible at this stage to report on the progress thereof.

Permanent members of SANDF older than 50 years

190. Mr J A MARAIS asked the Minister of Defence:

(a) How many permanent members of the South African National Defence Force are older than 50 years and (b) how many of these members (i) belonged to the former (aa) statutory and (bb) non-statutory forces and (ii) in each of the categories mentioned in (b)(i)(aa) and (bb) were taken up or will be taken up in service brigades?

N392E

The MINISTER OF DEFENCE:

(a) 1 513 Permanent members of the SANDF are older than 50 years

(b) (i) (aa) Statutory forces—1 360.
(bb) Non-statutory forces—153.

(ii) No members of the statutory forces mentioned above in (b)(i)(aa) have been taken up on the permanent staff of the Service Corps. Three members of the non-statutory forces mentioned in (b)(i)(bb) are on the permanent staff of the Service Corps.

Registration of volunteers for service in the Corps commenced on 18 April 1995. Only on completion of this process can the rest of the question be answered.

Persons charged with crimes and out on bail at time of arrest

196. Mr A J LEON asked the Minister for Safety and Security:

Whether any persons charged with crimes in 1994 were out on bail at the time they were arrested for such crimes; if so, (a) how many, (b) what percentage of the total number of persons charged with crimes in 1994 does this figure constitute and (c) for what crime had each been charged and given bail prior to his or her rearrest?

N402E

The MINISTER FOR SAFETY AND SECURITY:

Yes.

(a) 2 132 for the period 1 October 1994 to 28 February 1995.

(b) Between 1 October 1994 and 31 December 1994, 1 405 persons were arrested while out on bail. During this period 129 748 cases of serious crime were referred to court, which constitutes a percentage of 1,08 although this may not really be a valid comparison.

(c) It is, unfortunately, not possible to answer this question, as it would require extensive manpower and other resources to peruse each individual case. A wide variety of mostly more serious crimes are involved.

Bank robberies in Republic in 1994

202. Mr D H M GIBSON asked the Minister for Safety and Security:

(a) How many bank robberies occurred in the Republic in 1994 and (b) what was the total

value of the money and valuables stolen in these robberies?

N408E

The MINISTER FOR SAFETY AND SECURITY:

(a) 211 (1 January 1994-31 December 1994).

(b) The South African Police Service and the banks have an agreement not to make public the losses incurred.

Injured SAPS officers with fewer than 10 years' service: compensation/pensions

205. Mr P A MATTHEE asked the Minister for Safety and Security:

(1) Whether police officers who have not completed 10 years' service are entitled to payment of (a) compensation and/or (b) pension benefits to dependants if, as a result of or under circumstances relating to the fact that they are police officers, they (i) die or (ii) sustain such injuries as to be temporarily or permanently declared unfit to resume their duties as police officers; if so, what amounts are payable in each case; if not,

(2) whether he will consider having the possibility investigated of paying such compensation and/or pension benefits; if not, why not; if so, what are the relevant details;

(3) whether he will make a statement on the matter?

N420E

The MINISTER FOR SAFETY AND SECURITY:

(1) (a) Yes.

(i) Yes.

(ii) No, because it is paid to the member.

(b) Yes.

(i) Yes.

(ii) No, because it is paid to the member.

Note: Whenever a police officer is injured on duty, the Compensation Commissioner allocates a percentage, according to the degree of unfitness that has resulted from the injury.

Harsh words from black economist

■ BY THABO LESHILO

The ANC-led government of national unity (GNU) was harshly criticised yesterday for allegedly failing to advance black economic empowerment and even passing laws that hamper black entry into the mainstream of the economy.

Leading businessman and former economic advisor to the ANC, Don Mkhwanazi, told a meeting of prominent businesspeople that although the GNU was succeeding in

meeting black needs in general, its performance on black economic empowerment (BEE) had been disappointing.

Mkhwanazi said a notable exception had been Public Works Minister Jeff Radebe.

"There is a lack of urgency, cohesion, co-ordination and a clear-cut strategy and plan to involve black business in the mainstream of the economy.

"In fact, retrograde legislation has seen passage late last year that impact negatively and

thwart black business and make BEE an impossibility and a long haul."

Mkhwanazi said the new Bank Capitalisation Act, which increased the minimum capital required to start a bank from R10-million to R50-million would make it almost impossible for blacks to establish banks.

Mkhwanazi urged black business bodies to urgently form a lobby to demand the establishment of the office of a national advisor on BEE.

(176) (S)
Stan 10/15/95

New study of affirmative action

SYLVIA DU PLESSIS

THE Black Management Forum has initiated a major new study of affirmative action, focused on about 2 000 medium-to-large employers and aimed at developing a benchmark against which companies can measure themselves.

Black Management Forum executive director Bheki Sibiyi said the project would gather information about how affirmative action was being approached in these organisations, determining what practices had been successful and the issues that had been encountered.

The forum, the main representative body of black managers in SA, had been involved for some time in developing a blueprint for successful implementation of affirmative action. It had been active also in advising government on future equity legislation.

"It became obvious to us that while there has been extensive academic research into the subject, there was little information about practices being applied related to affirmative action in SA companies and that this was proving a problem," Sibiyi said.

"Policymakers on the one hand had little factual information to go on and companies have little to guide them in their efforts. It was therefore decided that there was an urgent need to embark on a project that would provide

the information needed for developments in this vital area."

After discussions with Ernst & Young, it was decided that a best practices study related to affirmative action would be the ideal way of meeting current needs, he said.

Practices would be correlated with success in achieving affirmative action goals and other measures of performance in order to develop the benchmark against which companies could measure themselves in future.

Ernst & Young consulting practice national director Julian Nagy said yesterday that Ernst & Young, which would execute the study, would use the correlations which emerged to develop models and blueprints that would be of "great value" to organisations implementing affirmative action and equity programmes.

"We are very excited about this study for two reasons: firstly, no study has been done on this scale in SA before; and, secondly, this study looks at process issues rather than purely statistics. This latter feature is a major differentiating feature of this project," he said.

The intention was to collect and analyse data during the course of the year in order to be able to report the first results at the forum's confer-

ence at the end of November.

"This is a benchmarking study, and while benchmarking has been used extensively in many countries in areas such as quality, service and technology performance, this is — to the best of our knowledge — the first time that benchmarking techniques are being used to look at affirmative action on a significant scale," he said.

"The intention is not to use the information gathered for policing affirmative action.

"The aim is for participants to use the outputs constructively so as to improve and make their own affirmative action programmes more effective."

This was one of the reasons why the Black Management Forum had chosen to involve Ernst & Young as a means of ensuring "complete third party confidentiality", he said.

Major employers from all sectors of the economy were receiving notification of the project with invitations to participate. The participants would have exclusive access to the full report and its outputs.

The project is to be managed by a steering committee consisting of the forum's Mpho Makwana, Gencor group manager, labour relations, Moss Ngoasheng, SA Druggists group manager, employee advancement, Sibusiso Mngomezulu and Nagy.

BD 11/5/95

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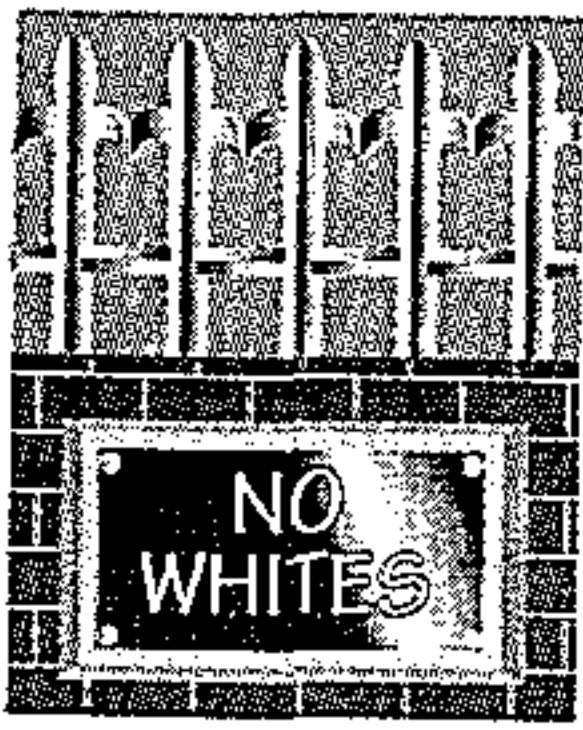
AFFIRMATIVE ACTION

Dangerous exclusions

Job opportunities for whites are there — but the perception is what counts

FM 12/5/95

(176)



A year after SA celebrated its passage to a nonracial democracy, anxiety among whites is surfacing. They worry about standards — whether in education, municipal services or broadcasting — and

employment prospects for young whites entering the job market during a period when many companies are overtly giving preference to black job applicants. The looming threat, as many whites perceive it, is of their becoming no less marginalised, when services and jobs are handed out, than blacks once were.

The danger could, indeed, extend to businesses looking to government for contracts. Public Works is reported to be only one of several government departments seriously considering including racial criteria when appointing professional consultants such as quantity surveyors for State-financed projects (*Business* May 5).

Emigration figures, over which Deputy President Thabo Mbeki last week expressed government's concern, reflect this growing anxiety. Last year, 4 860 economically active people quit SA. There were only 2 568 economically active immigrants, which produced a net loss for the first time since 1987 (not to mention the loss of professional skills).

But official emigration statistics tell only part of the story. Many young people don't reveal their intentions when leaving. Some aren't sure how things will work out overseas; most have no more money than the foreign-travel allowance provides for. In either situation, they reckon going through emigration formalities is pointless.

Like those who do fill out the forms, however, they are likely to be mostly graduates. A breakdown of emigrants into professional categories by Central Statistical Service supports the results of a survey last year of 2 000 companies by human resource consultants FSA Contact. The latter revealed that, of those who resigned last year to emigrate, 43% were senior supervisors or had advanced skills and a further 27% were middle managers or high-level specialists. The SA Medical and Dental Council says

that an average of 150 doctors emigrate each year, while the Transvaal Society of Accountants reckons SA lost up to 300 accountants last year.

These emigrants are a serious social as well as economic loss. Most of them are English-speaking whites who leave for the UK, Australia or New Zealand. Australia's 1991 census showed that the number of South Africans living there rose by 82% between 1981 and 1991. Of those living there in 1991 and aged over 15, almost one in three had a tertiary qualification, against Australia's national average of 13%.

What the statistics don't show are the age bands into which SA's economically active emigrants fall. The most common motivation is to improve career prospects for oneself and one's children; given the stress involved in emigrating and the aversion among recipient countries to taking on middle-aged migrants, most successful applicants are under 40.

This means that each year SA loses a significant number of people who are either

reasons, be a huge shift in government-controlled resources from white to black. The shift will not, though, for some years be accompanied by a greater tax contribution from the new beneficiaries.

So white South Africans will continue to be highly taxed and receive little in return. This caused Rabbi David Lapin, founder and executive director of the SA Institute of Business Ethics, to observe that the Receiver has lost his moral authority. And when, in the Budget, the Minister of Finance increased maximum personal tax to 45% without raising the level at which it becomes operative, Sacob director-general Raymond Parsons warned of a further boost to emigration.

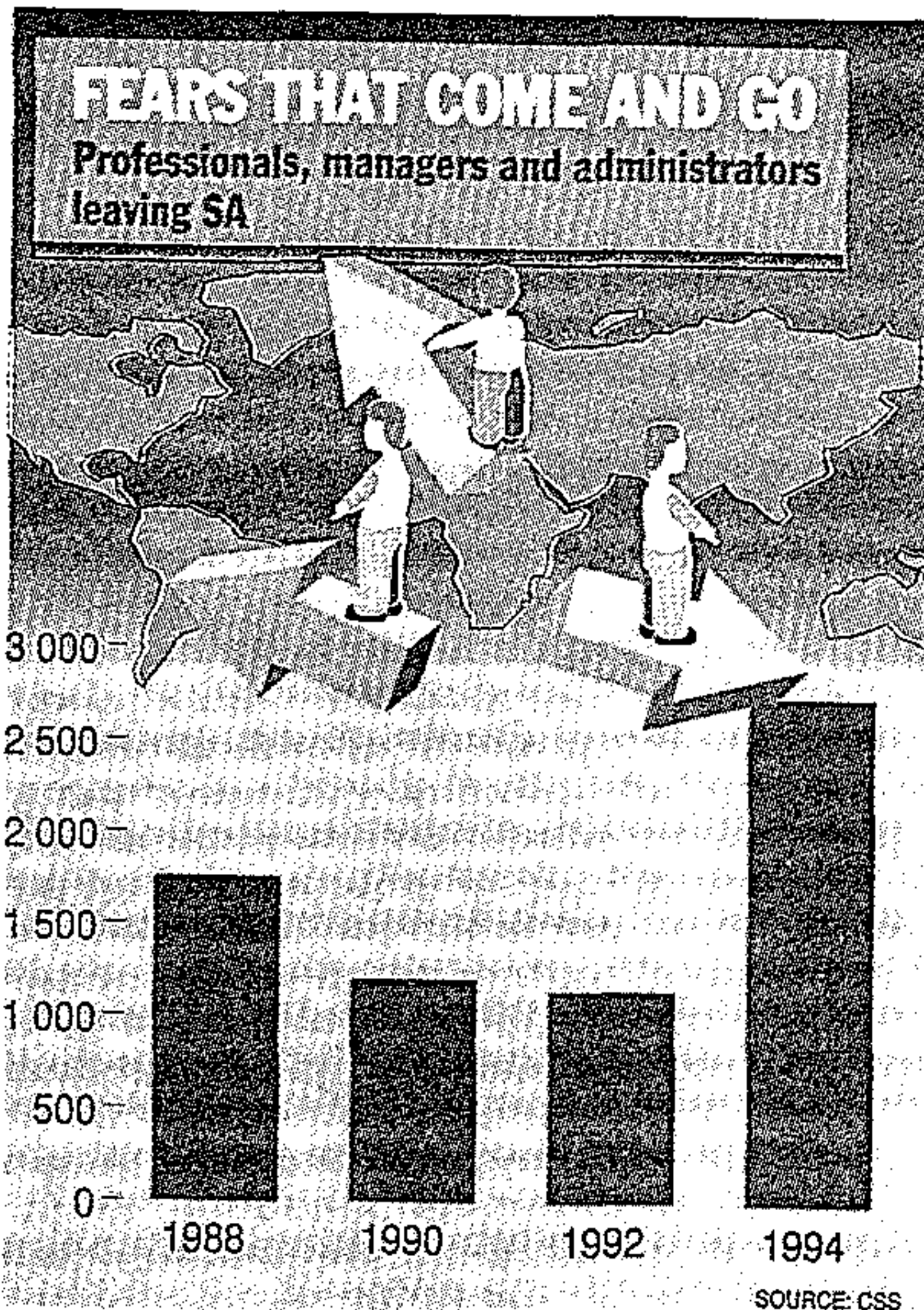
Meanwhile, the most able whites may well see their careers put on hold for five or more years as black colleagues are advanced up the corporate ladder in the name of "corrective action." Indeed, for the first time in white SA's experience, young whites may find it frustratingly difficult to gain entry to a corporate career.

To argue that young people, even the well educated, are battling to find decent jobs throughout Europe and the US, is to miss the point — though it might help dissuade those considering emigrating. Unlike those countries, SA is still critically short of skilled technicians and managers. Search group Woodburn Mann executive Peter MacIldowie says twice as many senior executives will be needed in five years' time as SA has now.

Without those skills, local industry will not cope with steadily growing international competition facing it in the years ahead. Business should therefore follow a twin-track policy. On the one hand, it should be investing far more than it traditionally does in training young people. At the same time, it should ensure that such investment goes only into those with an encouraging track record. Quota-driven appointments are not affordable and do nothing for the morale or prospects of those filling them.

Certain major employers have yet to adopt either of these policies. Filling racial quotas and targets while keeping staff complements lean remains a prime aim.

Iscor, for example, was signing on more than 3 000 apprentices a year about four years ago. Human resources executive director Johan Prinsloo says the number is now well below 2 000. The total number of apprentices in Seifsa companies declined from 13 000 in 1982 to 5 000 this year. Over the past three years, the number of companies training them has shrunk from 1 500 to just over 900.



already providing much of the country's economic and professional drive or will soon start to do so. The long-term worth of their children should also not go unnoticed.

However regrettable the loss, it is understandable. A black-dominated government means there must, if only for political

continued on page 26

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Faced with shrinking job opportunities, young whites also face racial quotas. Gencor, for example, is applying them; so are Telkom and some short-term insurance companies.

Gencor's affirmative action target, says human resources senior consultant Simon Sibeko, is "guided by principles formulated by the Black Management Forum." The forum wants to see 70% of jobs in the Patterson C band (in mining, that covers artisans, shift bosses and foremen) filled by blacks — or seven times higher than the present general level.

For the next five years, Gencor is aspiring to 40%. So, of the 20 entry-level (C band) human resource posts recently filled, 40% went to blacks and 20% to each of the other three race categories. But its longer-term aim is indicated by its bursary policy: 60% of bursaries go to blacks, 20% to whites and the rest to coloureds and Indians.

Telkom, too, has had a strong affirmative action drive during the past two years. For semi-skilled jobs such as clerks and service representatives, which account for up to 70% of all posts, 70% of new appointments go to people of colour. In "soft" discipline graduate posts (for instance, labour relations or psychometric testing), the racial split is 50-50.

A similar story can be told about Eskom. Jobs created by its huge township electrification programme are being filled mainly by internal transfers. The small number of other jobs results from natural attrition. "Whites are still being recruited to fill certain specialist positions," says Riaan Neethling, number two in the organisation's human resources division, "but the emphasis, certainly, is on blacks — on affirmative action."

Eskom aims to have blacks and whites equally represented at supervisory and management levels by the year 2000. At that point, says Neethling, affirmative action will no longer be needed. Until then, "most whites will have to march on the spot when it comes to promotion." He admits this has created a morale problem among whites but says not many have resigned.

Yet it can also be to SA's benefit if young whites and those over 20 have to look beyond large companies for employment. What is good for the economy does not easily translate into individual confidence about future prospects, but if racial quotas make talented, skilled people look to smaller companies for employment or create their own firms, the outcome will be a happy one — not only economically but also, if US experience is anything to go by,

for those who change direction.

Recent local experience shows that middle-aged white male executives — those whom newly enfranchised blacks, especially the women among them, dismiss as irrelevant to SA's future — do eventually find rewarding berths when events tip them out of their previous ones.

During the past 12 months, outplacement consultancy Chart has helped about 120 displaced managers and executives, some of them employed by major quoted companies. Only four or five of them remain unemployed, says MD Neil Macdonald, and two out of three of the rest have found jobs equal to or better than their previous ones.

That success, he explains, is produced "by helping the client first to cope effectively with the shock of losing his job; then, with the help of industrial psychologists, to help him on an appropriate career after analysing his interests, strengths and experience and profile; and then in identifying opportunities and developing a strategic plan to market himself into a new position."

Work experience helps, too. "Employers are no longer looking for youth but for experience and good interpersonal skills. They want new employees to be able to hit the ground running," says Macdonald.

believes, will have them turning increasingly to outside contractors.

But, for those among the self-employed who don't want to be tied in any way to large companies, his advice is to operate in fast-growing sectors such as tourism and information technology. "And stay small," he adds, "so you can remain unregulated by trade union and labour relations legislation."

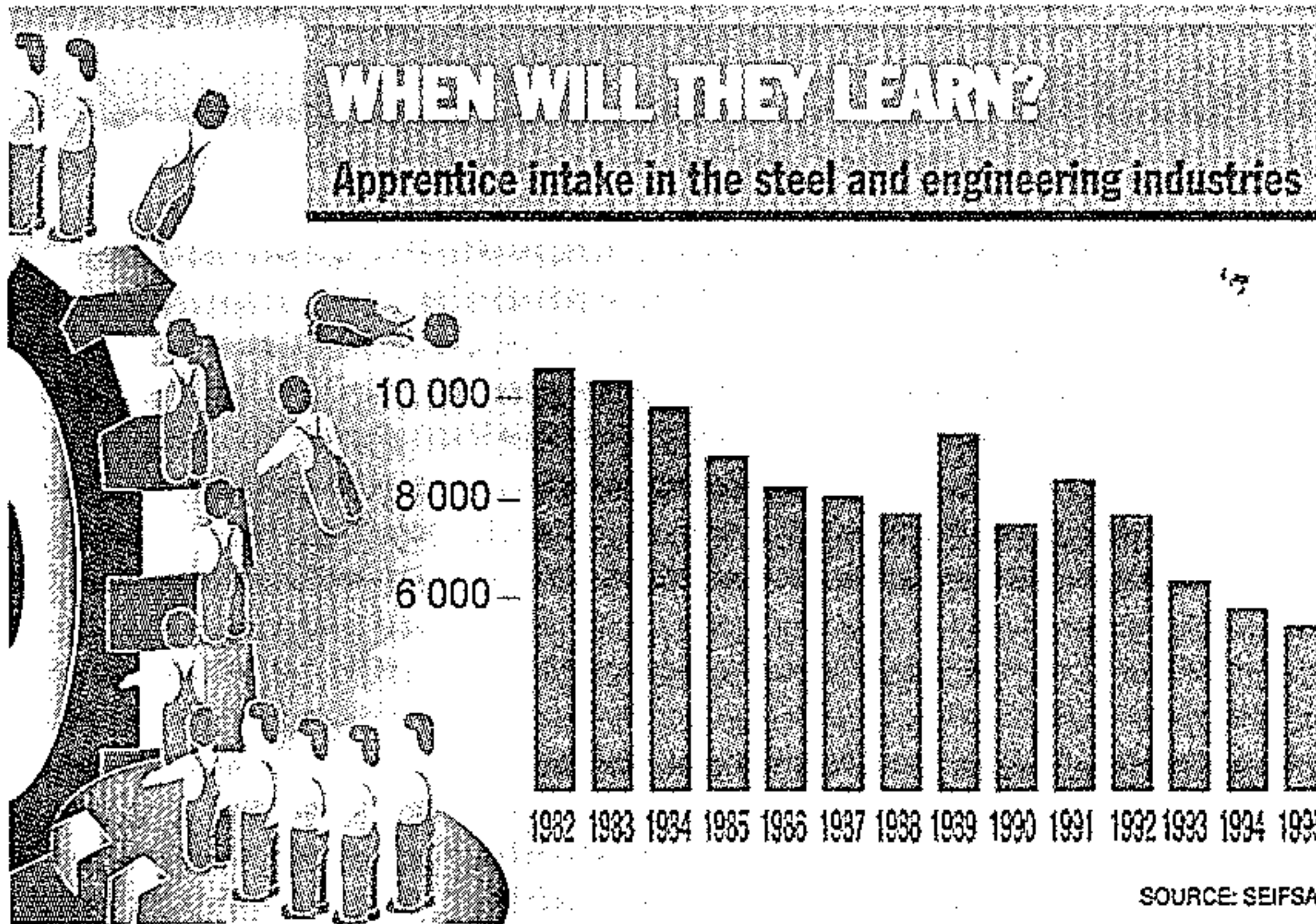
Flexible thinking about the different ways skills and qualifications can be used is promoted by Duduzile Maseko, placement officer in Wits University's counselling and careers unit. Straight unemployment is not a problem among her white graduates, she insists, partly because they have been encouraged to think laterally about job opportunities. The Association of Law Societies' director of practical legal education of post-graduates, Nick Swart, says that the growing number of black LLB graduates is increasing competition for positions as articulated clerks so that about 200 graduates are going to be disappointed each year. "But those with an LLB don't have to become lawyers," says Maseko. "Those with Accountancy III don't have to become chartered accountants. There are good career opportunities provided by those subjects in other directions."

Teachers can respond positively to that in one of two ways. Either they can acquire the skills needed for teaching black pupils or they can leave teaching for the commercial sector where, says Johannesburg College of Education rector Prof Graham Hall, "their teaching skills, articulateness and general good appearance equip them well for para-teaching positions."

The outlook for SA's whites is, in short, not nearly as gloomy as rising emigration statistics and letters to various newspapers indicate. Indeed, for the middle-aged who

have acquired good short wave radios and music replay systems, and have enough time to enjoy SA's sun and scenery, it need not prove gloomy at all — though it may become less prosperous.

If whites in general become so alienated that apathy overwhelms personal ambition, however, even the ones who are well-disposed to an ANC-led government will encourage their children to leave. The problem with affirmative action is that it is easy to initiate but not so easy to halt. Corporate strategists in the private sector — who have no doubt ensured their own positions are immune to affirmative action — have as much responsibility as the politicians to prevent a stampede of talent and skills.



Not that all his clients remain employees. "We have found quite a few corporate employees have the personality requirements and business profile for making it on their own," he says. His colleague, John Sherratt, MD of senior management selection consultancy Renwick Management Services, confirms that many whites use their retrenchment packages to start their own businesses. There is also evidence from the commercial property sector of a growing number of small businesses.

The more that large organisations' employment policies are driven by racial quotas rather than a search for truly able people, notes University of Cape Town economics professor Brian Kantor, the more inefficient they will become. That, he

Job attitude change urged

□ Goal should be economic growth ^{ARL 73/5195 (176)}

COLIN DOUGLAS

Business Staff

AFFIRMATIVE action to empower black people and women will not work without a change of attitude on all sides, Black Management Forum president Wiseman Nkuhlu has warned.

He said in Milnerton yesterday at a major conference on affirmative action that empowerment of historically disadvantaged people was not simply a question of state delivery.

"We must change the mindsets of the empowered and the disempowered; changing laws is not enough".

The objectives of human dignity and development would not be achieved by "single issue" steps like the advancement of blacks in the public service, Professor Nkuhlu warned.

Affirmative action should form part of a national strategy of economic empowerment, where the goal was economic growth.

Affirmative action policies should assist blacks, women and the disabled, but they should be carefully targeted — "you can't have uniform instruments; policies on race cannot be the same as those on gender.

"Policies should also take into account the history of geographical areas. The Western Cape, for example, would re-

quire different policies from the Eastern Transvaal."

"Economic empowerment is not just about distributing existing employment more equitably — it is about equipping the disempowered with appropriate values and skills to create jobs.

"The focus must be on the long term, because if we focus too much on the short term we may do things that are detrimental to growth."

If South Africa was to achieve economic success, it would have to give high priority to providing quality education and broadening access to resources such as credit and land, Professor Nkuhlu said.

He called for a shift in attitudes in favour of hard work, entrepreneurship and free thought.

"If the culture of our society is not supportive of hard work and achievement, an investment in economic empowerment will not achieve the same results it would have in an Asian country, for example.

"The climate needs to be conducive to freedom of thinking, free choice and risk taking."

Also speaking at the conference, Cape Chamber of Commerce and Industry Human Resources Manager Charl Adams warned of the damage that could be inflicted on the economy if affirmative action alienated highly qualified employees who, because of their race or gender, did not benefit

from such policies.

Policies which were not sensitive to the danger of such employees emigrating would harm both the private sector and the intended beneficiaries of affirmative action.

"The strategies that should be followed to bring about equity must be applied with circumspection.

"Discrimination against advantaged social categories will inevitably lead to poor motivation, will damage inter-group relations and may eventually lead to a brain drain."

The business community did not object to attainable affirmative action targets being set for individual firms, but it was opposed to the imposition of fixed quotas, Mr Adams said.

If affirmative action legislation were introduced, it should not be prescriptive.

■ In time the Western Cape provincial administration should reflect the composition of the region's population, provincial minister of Economics Chris Nissan said.

Mr Nissan said the provincial administration of the past had been "bloated with whites".

Preference would now be given to African, coloured and Indian job applicants, women and the disabled — "provided they have the right qualifications".

Mr Nissan would not put a target date on plans to restructure the provincial administration, saying only that "it must not take too long".

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Durban demands affirmative action

CONTRACTORS wishing to obtain work from the Durban City Corporation will have to adhere to a stringent set of affirmative action requirements.

The municipality requires contractors to adopt or commit themselves to the Nafcoc and the Black Management Forum's affirmative action policies and provide audited appraisals to prove this.

The tenders state that contracts will be accepted only from tenderers who fall within five categories relating to affirmative action.

The Nafcoc's 3456 policy requires that companies, by the year 2000, have 30% black representation on the board, that blacks should hold 30% of equity, that 50% of all purchases be made and 60% of all managerial positions be held by blacks. The BMF's 2000 policy is equally strict,

By DON ROBERTSON

insisting that 80% of all trainees, 70% of all supervisors, 50% of all junior managers, 40% of middle managers, 30% of all senior managers, 20% of executive directors and 30% of non-executive directors should be black.

Companies wishing to tender will have to provide detailed documentation that they are abiding by these stipulations.

Labour experts feel the stipulations laid down by the municipality are harsh.

Duncan Innes, publisher of the Innes Labour Brief, says it would be better for the state to come out with its own guidelines, which would be subject to discussion in Nedlac, representing economic and

business parties.

"The guidelines laid down by the Durban municipality could favour their (Nafcoc and BMF) members and could lead to distortions in the free market."

Alastair Bruce-Brand, director of legal services at the Durban municipality, says in terms of Section 8 of the Bill of Rights, requirements that companies adhere to affirmative policies are valid.

He concedes that were the various options not contained in the tender document it might be considered a bit severe, but he adds that the level of compliance will play a role in the awarding of contracts, subject to price and other considerations.

The first and most stringent of Durban municipality's affirmative action categories insists that companies should be "in

line" with the objectives of Nafcoc 3456 and MBF 2000, and submit proof of the black shareholding.

Category two refers to joint ventures in which blacks have a 25% representation and shareholding, while the third category relates to existing companies which subscribe to the Nafcoc and BMF policies and must have an 18% representation and 25% shareholding by 1996.

Category four relates to existing companies which subscribe to Nafcoc and BMF with the intention of implementing them by 1996, and the fifth to companies which are too small to implement the labour policies.

The tender documents also require that sub-contract work be given to disadvantaged groups, while supplies be purchased from similar groups.

Govt opens window

By SIPHO KHUMALO

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FRESH from fighting protracted battles to transform his department, Public Works Minister Jeff Radebe says a window of opportunity now exists in his department for previously disadvantaged black companies to do business.

Radebe was addressing the newly launched Kwa-Zulu/Natal branch of the South African Black Technical and Allied Careers Organisation.

This is a fledgling body of black consultants and professionals who, largely, have not been considered by the Public Works Department of the past government in its awarding of contracts.

Radebe told the meeting that there had been a strong perception among built environment practi-

tioners that the manner in which consultants were appointed by the Public Works Department was unfair and biased.

CP 1415/95
"The perception was that the system generally favours the more established and generally white practices. There has also been a strong concern that the selection criteria do not respond to the needs of our fledgling democracy," he said.

To address this, said Radebe, the ministry had embarked on a critical appraisal of the department's appointment process with a view to developing new criteria.

The outcome of the appraisal was the establishment and acceptance of recommendations for improvement in the short and long term.

"The objective of this is to provide immediate be-

nefit to disadvantaged black firms or any firm that has made positive contributions towards social upliftment activities," said Radebe.

He decried a disadvantaged firm as one in which the majority of equity is held by black partners, or any other firm that has previously been disadvantaged because of the past appointment procedures.

Radebe told black consultants that in the past at least 10 companies had been favoured in a controversial "special circumstances" clause between 1990 and 1994.

These top 10 companies had been given preferential treatment, one of them scoring R10 million in public works contracts.

Radebe said with a two roster system now established this practice was a thing of the past.

Builders back ministry's call

DAN SIMON

ET 15/5/95

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THE Building Industries Federation of SA (Bifsa) says it supports a Ministry of Public Works initiative to revise its roster of consultants in order to enable blacks to consult the government on future projects.

However, it said the ministry had to avoid what it termed "prescriptive measures or tokenism" as this could lead to a drop in standards.

Bifsa executive director Mr Ian Robinson said this on Friday following a recent announcement by the Minister of Public Works, Mr Jeff Radebe, that the issue of affirmative action had to be addressed when developing new criteria for the appointment of consultants to the government.

Firms would not be excluded provided they were committed to a human resource development programme which meant that at least 20% of staff had to be black, according to Mr Radebe.

Archie Jacobs
comments on the
misconceptions
surrounding a
necessary
measure to boost
blacks' job
prospects

Affirmative inconsistencies

In the absence of a universal definition of Affirmative Action, the concept is being understood differently by and implemented inconsistently by more and more individuals, companies and institutions.

This inconsistency is reflected in the way companies apply and individuals perceive Affirmative Action.

Compounding the problem is the fact that Affirmative Action policies are being applied before promulgated legislation. Hence, highly inconsistent and often naive measures are being applied.

While the expectation is that Affirmative Action legislation will allow considerable flexibility, three issues deserve further debate, thought and clarity viz-a-viz:

1. The concept
2. Who should Affirmative Action favour
3. Its possible failure

1. The concept of Affirmative Action. Affirmative Action means: stating as fact that a specific form of action is so — without addressing the fundamental question "Why?"

With the conceptual interpretation of Affirmative Action failing to state why an assertive policy on people's rights is necessary, Affirmative Action is a misnomer, an incorrect description that could undermine the entire mission and vision of rectifying the imbalances and injustices of the past.

Fears about and misconceptions of the term raise cause for concern. It is also an American term, seriously misconstrued in South Africa.

I would propose that one starts talking of Corrective Action rather than Affirmative Action.

2. Who should Corrective Action favour?

If Corrective Action means the upliftment and advancement of all the previously disadvantaged, then Corrective Action should seek to redress the imbalances created by such practices.

These disadvantaged include blacks, women and the disabled. (By blacks I mean anyone who is not white). For most of this century, "Affirmative Action" was applied to all whites, ie the poor white Afrikaner, whites of mixed ancestry, white colonial settlers, white English speaking liberals — all of these groups benefited through it.

Exception

People from the coloured community and those from the Indian community in South Africa were afforded privileges under apartheid, which I believe was according to exception rather than rule.

The laws of the apartheid government, for example, the Group Areas, Population Registration, Separate Amenities and Mixed Marriages Acts were but some of the laws designed to secure white supremacy. The majority of the population was deliberately excluded from training and upliftment programmes.

While the principles of proportionality and demographics may well be argued for in the Corrective Action process, there is growing concern among various sectors of the South African society as to who is to be

favoured through Corrective Action. It is my belief that groups must make themselves heard in this initiative.

It needs also to be stated that an African identity is not only held by the African in the genetic sense of the word, but by all who owe allegiance to Africa and who were, in the case of South Africa, excluded from mainstream political, social and economic development by and for the purposes of a system that was discriminatory.

Therefore, the fact that I was classified as black or coloured becomes insignificant in this paradigm since all these were created for us by them, with specific objectives.

Audrey Brown (Weekly Mail Guardian, March 24-30, 1995) describes the scenario as follows: "Complaints and accusations that they are not 'black enough' do not sit easy with these people (referring to the so-called 'coloured'). Emerging as they do from the old townships of Klipfontein, Soffatown, Western Native Township, Stirtonville, Benoni, the old location of Germiston, Alexandra, District Six and Lady Selbourne, blackness, Africanness, is under their skin, and stretches beyond the opportunism that apartheid forced on them."

The identity survived because black consciousness provided a home for people who, reeling under the double whammy of the Group Areas Act and the Population Registration Act, had to keep their bearings in the bland newness of their imposed name and imposed homes.

The second of the disadvantaged groups are women.

Having been marginalised and discriminated against in the workplace for most of this century, women almost came to accept the false and misconstrued perceptions of themselves.

With 53% of the population being women, the scenario is still not satisfactory as they constitute one third of the total workforce.

However, the last three decades witnessed the upward mobility of women and the quest for independence as well as a trend towards self-reliance. However, discriminatory and exclusive company policies are still hampering women from gaining access to managerial, administrative, senior and top management positions.

Corrective Action should actively identify and develop the potential of this sector of our society.

The third disadvantaged group in our society is the disabled.

Constraints

While there might be physical constraints and considerations amongst individuals in this group, little was done to explore the potential and skill that they might have.

Corrective Action strategies need to explore ways and investigate policy and legislation which have up to now discriminated against this sector of our society.

3. Corrective Action as an orchestrated failure. A successful Corrective Action policy is coupled to, in fact, ensured by qualitative training programmes. This, to me, is the most crucial element in making Corrective Action either a success or a failure.

people should not be employed only to give the company a suitable face. If a work-ethic and sound economy is what South Africa needs then we must ensure that the previously disadvantaged sectors, should insist on training if they feel a post is being offered or created, for which they have not been adequately trained.

Obstructionists are blundered in their views that Corrective Action is wrong, blacks are incompetent, women make bad bosses and the disabled just cannot cope with the demands of their jobs.

Today's successes of yesterday's disadvantaged were clearly training based. Examples such as Advocate Dikgang Mosenke, Professor Mamphele Ramphele, Jakes Gerwel, Dullah Omar, Franklin Sorn — are but some of the individuals who proved that expertise and skill does exist, provided that it is well nurtured and developed.

The above-mentioned individuals are also examples of people who have succeeded not because of their apartheid education, but in spite of it. May it also suffice to say that with the correct and appropriate application of Corrective Action policies, South Africa may witness a core of academics, technologists, administrators, politicians, advisers, company directors and managers that the world has seldom seen.

The peaceful transition to a democracy in April 1994 has set the stage for a play, in which economic, political and social prosperity could, in due course, become the envy of many a nation.

■ *The author is a teacher at Pathing School, Fourways, Sandton.*

(176) Star 16/5/95

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Province on the hop: The Gauteng government was battling to attract skilled black employees, its MEC for economic affairs, Jabu Moleketi, said yesterday. Addressing Nafcoc's Gauteng branch, he criticised scarce black professionals for "hopping from one company to the next". He added that the province was committed to affirmative action, but job applications were "disappointing".

ET (BR) 18/5/95

Meyer told to appoint more blacks

Adrian Hadland

CAPE TOWN — Constitutional Affairs Minister Roelf Meyer was sharply criticised by MPs yesterday for failing to implement affirmative action policies in his department.

In a report compiled by the National Assembly's constitutional affairs committee, chaired by ANC MP Pravin Gordhan, it was pointed out that no African, coloured or Indian person occupied a senior management position in Meyer's department. While two women had been appointed as assistant directors, women generally occupied positions in the lower echelons of the department.

"Serious concern must be raised about the lack of a concerted affirmative action policy and plan in the department."

The committee, which passed the report

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unanimously yesterday, urged Meyer to embark on a "concerted effort" to ensure race and gender representivity in the department over the next year.

The committee acknowledged that 48% of the 348 posts in the Constitutional Affairs department were vacant.

The processing of applications for the filling of 24 posts had been completed and these appointments represented a good opportunity to pursue a more assertive affirmative action policy.

The establishment of a branch within the department dedicated to local government was also an urgent imperative. Local transition would be a long process and central government was likely to continue to play an important role in this area.

"More resources should be channelled into developing local government, especially in the rural areas."

Bank gives bureaucrat affirmative action idea

THE Department of State Expenditure is considering using hi-tech methods to get to grips with the tricky task of transforming its almost exclusively white male staff to something more representative of all South Africans.

Director General Hannes Smit this week told the parliamentary finance committee that he had been unable to fill vacancies in his department because all posts had been frozen until the 11 000 government posts advertised last year as affirmative action posts had been filled.

Of these, 80 had been allocated to State Expenditure but Smit believed that the whole issue had been tackled "in the wrong way", as few suitably qualified candidates had been found.

Given the shortage of black matriculants and graduates with maths and science, that might be difficult. And since, as Smit says, it

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(MM) WMM 19-25/5/95
takes two to three years to train a treasury official, it might be well nigh impossible.

But Smit visited the Amalgamated Banks of South Africa (ABSA) headquarters in Johannesburg this week and was impressed by its Africa Growth Network training system which allowed it to train its staff much more quickly and cheaply.

ABSA rented a channel from M-Net and piped training programmes into all its branches simultaneously, allowing them to phone in to instructors if they had queries.

"We seriously considering introducing a similar system," Smit said. It would allow him to make black appointments at junior levels and quickly train them up to the required standards.

Smit told the committee 20,7 percent of his staff were "people of colour" and the rest white. Of the top staff, 98,6 percent were white.

Foundation perturbed at developments in SA

Theo Rawana

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BD 22/5/95

DESPITE the "spectacular rate of black empowerment", the continuing threat of mandatory affirmative action was one of the negative aspects of the new SA, Free Market Foundation executive director Leon Louw said at the weekend.

Louw told the foundation's council meeting that, without detracting from the "historic and profound" significance of positive developments in SA, there were reasons for concern which had not received critical media and expert attention.

He said the new Labour Relations Bill posed a far-reaching threat to contracts between employers and employees and to employers' property rights in their businesses. "If adopted in its present form, the law would give employees effective control over key business decisions, such as the introduction of new technology, and access to private information."

The Competition Board seemed to be embarking on an anti-competitive, anti-market attack on contractual and property rights. "Previously, numerous voluntary contracts such as resale price maintenance were outlawed mistakenly."

There were now plans to interfere with

other contracts, such as franchise agreements, he said.

"Possibly for cosmetic reasons, the cement cartel was banned, despite convincing evidence that it was in the consumers' long-term interests, and the Competition Board seems poised to intensify interference with mergers, takeovers and other corporate structure agreements."

But Louw said the board deserved credit for the role it had played in reducing the "statutory stranglehold of some of the more perniciously protected professions and occupations" of the agricultural control boards.

"This is the truly legitimate way for a Competition Board to work, and we do what we can to encourage it to remove barriers to competition rather than interfere with competitive strategies."

He said government — weak in the face of anti-smoking fanaticism — had usurped the property rights of proprietors to determine smoking and other policies on their premises.

It had also usurped the freedom of the Press and of expression regarding tobacco product advertisements and the freedom of contract between consumers and proprietors of commercial property.

AHI asks for an anti-dumping body

Louise Cook

AFRIKAANSE Handelsinstituut (AHI) president Walter Scheffler called on Trade and Industry Minister Trevor Mannel at the weekend to establish an anti-dumping authority before lowering any further tariffs and to take measures to repair law and order in SA.

Scheffler said that the AHI was currently investi-

gating aspects of the SA policy on competition.

He said both Mannel and the AHI agreed that an effective competition policy was of the utmost importance for SA.

The establishment of an anti-dumping authority and the functioning of anti-dumping mechanisms should be expedited and Nedlac should debate prerequisites for the authority.

AHI vice-president Mof

Terreblanche said, "We are, as a matter of priority, participating in the development of a suitable competition policy within the structures of Nedlac."

The meeting also addressed the effect of violence and crime on the business sector.

"It has become a matter of urgency that the Cabinet and business leaders promote a culture of discipline and law-abiding."

AFFIRMATIVE ACTION

Counting the cost

(196) AM 26/5/95
The developer of Durban's R200m International Convention Centre has learnt a costly lesson. Lack of clarity about the affirmative action elements in tender documents has meant it has had to re-advertise a revised tender.

The tender was for the convention centre's main electrical contract. The project has been delayed as a result. In addition, the developer faces higher costs on the contract, largely because of rising building costs.

However, the board of directors of the developer denies the project has been delayed, claiming instead that the "programme has been amended by the project managers to accommodate the tendering adjudication process."

The convention centre also denies having to pay more for the contract second time around, saying the tender results are not directly comparable as the scope of the work is not identical for the two tenders.

But it does concede "that there have been cost increases in a number of building materials, particularly since the beginning of the year, and these have affected tender prices."

In February, the convention centre rejected all tenders it had invited in October last year for a large electrical subcontract.

MD Richard Moore claimed at the time (*Property* February 17) that the conference centre had found that none of the responses to the tender call met all the criteria. They were also all above budget, he said. They principally failed to meet two criteria: the first was the conditions of the project's construction protocol (to contribute to the development of emerging contractors from disadvantaged groups); the second was the need to ensure that the work would be completed within acceptable quality, time, and cost parameters.

The re-advertised tender outlined affirmative action constraints specifically. The original tender document did not specify targets or minimum percentages for the involvement of disadvantaged subcontractors

or suppliers and was not specific in the detail of affirmative action/capacity building requirements. The second tender was.

According to one tenderer, no fixed percentage was set aside for an emerging contractor.

The winning tender in the second round went to Edison Power. In the first round, the firm submitted an affirmative action-friendly bid R1,4m higher than the lowest tender.

Edison's R14,9m second tender has been successful. But, like that of the other five bidders, its second tender is about R1m higher than its first unsuccessful bid.

But the convention centre puts a different spin on things. It says: "The quantity surveyors, after analysis of the winning tender, have advised that its tender has reduced if compared on an equal basis with its previous tender. The accepted tender price is within the project budget, which has a provision for costs associated with the construction protocol."

The basis of Edison's successful bid — which was about R400 000 higher than the lowest tender — is a 50-50 joint venture with Ukusa Electrical, an emerging black contractor. Edison has also committed itself to employing, managing and assisting six smaller, disadvantaged electrical contracting concerns which will be fully involved in major subsections of the subcontract. It will subcontract 41,54% (R747 801) of the labour value to disadvantaged firms and 38% of the value of the materials (R527 118) will come from disadvantaged suppliers. ■

AFFIRMATIVE ACTION IS 'FOR ALL WHO SUFFERED'

Mandela reassures coloured people in Northern Cape

(176)

CT 29/5/95

KIMBERLEY: Speaking entirely in Afrikaans, President Nelson Mandela told a predominantly coloured rally here at the weekend that affirmative action is for them too.

FEARs that the coloured community would remain marginalised in the new democratised South Africa were allayed by President Nelson Mandela at a rally in the Northern Cape on Saturday.

In a hectic one-day, local government election tour that began in Calvinia and ended in Kimberley, Mr Mandela concentrated on the government's affirmative action policy.

Speaking entirely in Afrikaans at an ANC rally in Kimberley's predominantly coloured township of Rooderip, he said he was aware of the fears and insecurities among many sections of the coloured

community. "But these are things we need to talk about together ... and then we need to seek solutions."

Referring to government's affirmative action policy, Mr Mandela said he was aware many coloureds felt they were being discriminated against.

"I want to make it absolutely clear that the policy of the ANC and the government is that affirmative action must include everyone who has suffered under apartheid.

"If you find that you are being discriminated against, please bring this to the government's atten-

tion," Mr Mandela said. Earlier, ANC MP Mr Carl Niehaus told the large gathering: "I don't see coloured people, I don't see black people, or Africans, all I see is South Africans."

Majority

To cries of "dit's my boyjie" (that's my man) he said the people of the province had proven the National Party wrong.

The Northern Cape with its large coloured community had been expected to fall under NP majority rule, but the ANC won it with a clear majority.

"It is a diminishing party which

has nothing to offer the people of South Africa," he said.

The only disruption of the day was a protest by a number of ANC marshals who voiced their grievances over unemployment and incorporation into the South African Police Services.

Mr Mandela's visit also included the launch of the province's first Masakhane project.

About R28 million has been earmarked for an urban renewal project in a section of Kimberley's Galashewe township.

"By getting this R28 million project off the ground, the government is throwing the ball into your court. In return, you'll be expected to pay for all services you receive.

"If you fail to pay, then similar plans elsewhere will never get off the ground." — Sapa

Affirmative action efforts 'can go too far'

(176) BD 176/95
WASHINGTON — Still far from completing their long-awaited affirmative action review, President Bill Clinton's staff are finding little fault with most minority-based hiring programmes.

But aides expect that their final report to the president will include criticism of a handful of federal affirmative action programmes.

Three senior White House officials, speaking on condition of anonymity, warned on Tuesday that they were still in the early stages of their review. They said that Clinton, occupied with the federal budget and the crisis in Bosnia, had not signed off on any conclusions.

But they said early staff thinking, memos and draft reports appeared to be reaching the same consensus — hiring based on race and sex is justified, but some specific federal affirmative action programmes go too far. They believe Clinton will argue that race and sex can be a factor in hiring, but not a limiting criteria. "In other words, no quotas," one official said.

Responding to Republican attacks, Clinton promised in February to review federal hiring and education programmes based on race and gender. Although he promised results soon, aides said he was not expected to make his ideas known for several weeks.

They expected Clinton to address the topic in a speech this summer. The New York Times reported yesterday that officials involved in the first phase of the review — primarily lawyers in the labour, justice, education and health and human services departments — had concluded that hiring and education preferences based on race or sex were justified.

A draft report by the officials, however, criticised programmes in the commerce and state departments that set aside fixed percentages of certain federal purchasing and construction contracts for minority-owned businesses, the newspaper said. Such "hard set-asides" could be viewed as quotas and perceived as unfair because they suggested that whites need not apply for certain contracts, administration officials said.

Aides envisioned the final report as encompassing several options rather than a specific recommendation, one of the officials said. — Sapa-AP.

Affirmative action study

176 CT(BR) 2/6/95

The Black Management Forum, (BMF) representing black managers in South Africa, has launched a major new study into affirmative action practices in the country.

The study, to be undertaken by Ernst & Young, will focus on 2 000 medium to large companies from all sectors of the economy to determine the degree of success achieved in implementing affirmative action policy.

"It has become obvious to us that while there has been extensive academic research, there was little information about affirmative action practices as applied in South African companies and that this was proving to be a problem," noted the BMF's executive director Bheki Sibiyi.

NEWS FEATURE Many institutions have changed — but for the wrong reasons

Sowetan 9/5/95 (176)

Obstacles to affirmative action

By Dr Mashupye Ratale
Kgaphola

THE dawn of the "new" South Africa has brought with it some vexing questions about the mechanisms to deal with the material disparities that evidently prevail in our country. And these disparities, lest we forget, are an acknowledged result of the interventionist social policies of yesterday's oppressive regime.

The Government of National Unity has recognised the need for an accelerated process of redressing the socio-economic disenfranchisement of black people (often referred to euphemistically as the disadvantaged community or communities).

To this end, the GNU has identified affirmative action (AA) as an important tool that can be used, from a public policy standpoint, to catalyse this process.

However, one notes that AA has seemingly come to mean different things to different people. Specifically, there continues to be some rumblings within certain sections of our society, and especially from the white community, to the effect that AA has become racial discrimination in reverse, that is whites are being discriminated against.

As far as this latter logic goes, black people are apparently missing the essence of reconciliation by insisting not only that there continues to be grotesque imbalances in life opportunities in general between black and white people, but also that these need to be redressed in a meaningful way and not in tokenist



Steve Biko

historical fact that what is wrong has been what the white race has done to the black race when history has occasioned in favour of the former.

This confusion, to use a popular metaphor, is like mistaking the lightning bug for lightning. One may add that it is partly a recognition of their collective responsibility that makes some white people fear that blacks would indeed

It has to be said that, in the short term, and for so long as the economy of South Africa is not growing at the same rate as our population, there will be a decline in job opportunities for all, both black and white.

That being the case, white people on average will face a perceived double challenge or threat, if one chooses this negative terminology, namely, on the one hand the "normal" shrinkage in the market, as well as the relative shrinkage arising from new competition from their black counterparts.

The latter tends to create the perception in white people that "(the) blacks are taking OUR jobs"; a perception which, incidentally, derives from the entitlement culture (of white people) created and entrenched during the apartheid era.

White people have monopolised the economic activity and public institutions of this country, and have got accustomed to this monopoly.

AA, coming as it does to primarily counter this legacy, may in effect reduce employment prospects for a certain section of the white population, at least for a time.

Of course such a prospect would not, and cannot, be welcome to the individuals who may be thus affected.

In this regard, such resentment as expressed and shown by white people towards the implementation of affirmative action becomes understandable, though not necessarily agreeable, at least not to this writer.

But the crucial question that needs asking is this, whether such a relative decline in job opportunities for whites whenever it really comes makes Af-

change should not immediately temper with the deck; as if meaningful change could be without disturbing the social equilibrium.

By definition, meaningful change in South Africa, whenever it shall be said to have happened, would entail some curbing of the monopoly of power as currently enjoyed by the white establishment in the many spheres of this nation's life.

Short of this, we could be back in the trenches in a not-too-distant future.

Yet another common criticism and an intriguing one at that against affirmative action states that this policy will not benefit the disadvantaged groups.

Even assuming for the moment, that indeed affirmative action benefits the elites in the disadvantaged groups, one is left wondering whether these critics would rather have only white people continue to enjoy these privileges in exclusion of all and everyone else?

Or what practical alternatives can they advance in this respect, merely glorious platitudes?

Essential point

At any rate, the above argument, or rather objection to Affirmative Action, misses the essential point, because it seems to confuse a wrong implementation strategy with a sound socio-economic policy.

That the elite in disadvantaged communities tend to benefit most is actually only half the story, because this takes account of the fact that, by virtue of their small numbers as is the case in South Africa at present, such disadvantaged elites tend to have a disproportionately higher profile. For this reason any ben-

In this regard, I want to argue that generally those who have vested interests in the *status quo* will almost instinctively attach a racist or other prejudice tag to any talk of the need for an authentic black voice and due representation at the table.

This accusatory tactic by white people effectively puts blacks on the defensive, to the extent that black people are potentially limited in how much of their rights they can claim, lest they sound and appear racist as accused — some historical irony this.

Remarkable trend

Even more remarkable, such is this trend that even historically racist institutions, never mind individuals we know in our daily lives — perhaps only politically more shrewd today — have climbed on the bandwagon.

Further, it cannot be overemphasised that black people are seeking to make no man feel any more guilty than history has proven them to be, nor are they seeking to evoke any feelings of self-righteousness in those that had been thus far denied life opportunities.

What is being called for is an open and undisguised dialogue with our history and in the context of the material realities of our society.

Unfortunately, though, our society is characterised by a denial syndrome which manifests itself sometimes in the form of passionate calls for us to "completely forget the past"; as if by so doing we shall necessarily be removing the scars or, better still, laying a solid foundation for the future.

Still on another level, one encounters calls to "forget about this black and white thing" and get on with the job of building this country.

While it is true that getting obsessed with the black and white dichotomy will not necessarily solve our problems, this cannot, however, be equated to pretending that there are no longer black and white people on this planet.

Historical fact

But evidently this is confused with the

avenge the past.

The most glaring feature of the South African socio-economic landscape has been the absence of black people in positions of influence, or of strategic importance, in both the productive economy and the public institutions.

The concept of AA, according to my understanding, is based on a recognition of a number of factors, both subjective (moral) and objective (economic and historical), including that:

● White institutional power and influence, left to its own devices, has proven incapable and unwilling to open the door to the black man. At best, white institutions have misused the truism that "change takes time" as a smokescreen to hide their unwillingness to include black people;

● The continuing disparities in the material conditions of our black and white people are morally unacceptable, and need changing as matter of urgency;

● It is pointless to expect black people to share a common vision with white people unless they have a meaningful stake in the economy of the country, which at present they do not; at best people have served merely as cheap labour for white business;

● Historically, the growth of our economy has been stifled by the lack of skilled labour, and more specifically the absence of skilled black labour; hence white business was forced to engage in recruiting mostly European expatriates to handle jobs that should have been done by locals; and

● To meet the ever growing needs of our population, the economy of South Africa needs to grow substantially. However, such a growth can only occur if there is enough supply of a skilled labour force. Indeed, several research reports in recent times have pointed out to the urgent need to address the projected demands of a growing economy on our human skills pool, and in all cases the explicit point is made that a skilled black labour force will become a *sine qua non* for any such growth.

Unfortunately, for its nature, AA is a policy and process that cannot be discussed simply in statistical terms.

threatens to remove the predictable certainty about life opportunities (or the lack thereof) on the part of both white and black people in our country, when it spells out an agenda so antithetic to the "natural" order of things in the workplace?

In many ways, it should be understandable that, for all the proclamations of support for the policy, some white people would wish that implementation of AA be kept at bay as long as possible.

As Steve Biko reminds us, "while the white liberal identifies with the blacks, the burden of the enormous privileges which he still uses and enjoys become lighter. Yet at the back of his mind is a constant reminder that he is quite comfortable" as things stand and therefore should not bother about change".

In fact, many critics of AA are fond of stating that, in principle, they are not actually against the policy as such, but that they are concerned with aspect X or Y.

Looked at closely, many of these arguments are akin to a story I once heard, which was to do with a survey conducted in the late '80's in England by the British Broadcasting Corporation on the attitudes of white people in that country toward inter-racial marriages.

One woman, when asked whether or not she approved such marriages, said simply, "I don't mind them (inter-racial marriages), as long as it is not my daughter".

firmative Action necessarily a "cruel, heartless, and immoral policy", as perceived by some critics.

This question is best considered within the context that this life, after all, cannot, and in this case specifically as relating to AA, in contrast to the suggestions of some critics, be based on a few exceptional cases but should be determined on the needs and conditions of the average citizen; notwithstanding the fact that the concept of "average citizen" could itself be the subject of another debate.

In relation to this subject perhaps the words of Martin Luther King Jr sum up a black perspective succinctly.

Speaking on the need for fundamental social change in America, King remarked that justice for black people will not flow into society from court decisions nor from fountains of millions of disadvantaged black people.

White America must recognise that justice for black people cannot be achieved without radical changes in the structure of society.

The comfortable, the entrenched, the privileged cannot continue to tremble at the prospect of change in the *status quo*. It would be almost naive of us or anyone to think of meaningful change in which no amount of dislocation takes place. While many white people might in principle accept the necessity of change, in practice such acceptance has the proviso (if only a mute one) that this

effs that they may accrue will assume an added dimension, and will give a wrong impression that they had carried off all the white man's gold in their bags.

Many institutions in this country which were initially opposed to affirmative action are reported to have made a dramatic turn; but it has been a change for all the wrong reasons. These institutions have come to accept affirmative action only in so far as it is becoming the norm in our society, and they are having to follow suit.

Invariably, their perception is that this is something that they want to get over with as soon as they can: so they set themselves some arbitrary racial quota and time frames to get the right number of black people and give them attractive perks so that they can be in the politically correct league.

In this rush to catch the affirmative action train, of course, there can be no time to develop the skills of the black employees within the organisation, be they hired on affirmative action programmes or otherwise. And once this crucial point is missed, then affirmative action is bound to fail, which in the end becomes a self-fulfilling prophecy on the part of the management.

(The writer is a lecturer in Chemistry (University of the North, QwaQwa Branch) and Deputy Secretary of the North East Free State Education Forum, and Convenor of Maths, Science and Technology Working Group).

Whites who want to maintain the status quo are behind the attempt to stifle progress

Whites who want to maintain

the status quo are behind the attempt to stifle

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Johannesburg Stock Exchange

Share prices on the Johannesburg Stock Exchange

These were prices at the close of the market.

N.B: The JSE does not operate on public holidays. Prices courtesy of Frankel, Pollak, Vinderline Inc

Name	Buyer	Seller	Last	H	L
1. Nail	R1,35	R1,40	R1,35	R2,00	R1,30
2. Killmanjaro	R2,85	R2,95	R2,90	R3,50	R3,00
3. African Life	R6,50	R6,75	R6,50	R7,35	R4,60
4. Metropolitan	R33,50	R34,00	R34,00	R37,00	R25,75
5. Corp Africa	R1,15	—	R1,10	R1,00	R1,10
6. Corp Africa Pref	—	—	R1,10	R1,25	R1,10
7. Real Africa Investment	R1,85	R1,90	R1,85	R2,70	R2,10

Glossary: Buyer: Price at which the share was brought. Seller: Price at which the share was sold. Last: Last traded price on the share. H: Highest level share reached this year. L: Lowest level the share reached this year.

Bid to give blacks more state business

(176) (2) ARG 3/6/95

PUBLIC Works Minister Jeff Radebe has announced twin programmes to boost the black share of government capital and maintenance tenders and of consultancy contracts worth less than R75 000.

Mr Radebe said the legacy of apartheid was that established and white-owned businesses dominated state tender awards.

"The current tendering environment does not facilitate the participation of small, emerging contractors ... in the state's capital and maintenance programme," he said.

A government forum of national and provincial officials had devised a programme to encourage small, medium and micro enterprises (SMMEs) to take a share of the government's work.

"To increase the SMME share in public sector procurement, it is essential that tender procedures be simplified and standardised to make them accessible and uncomplicated for all levels of suppliers," he said.

Changes would include:

- Tenders in simpler language;
- Removal of financial and performance guarantees for low-value, low-risk contracts;
- A longer period to bid for a contract and a quicker decision after the closing date to avoid price slippage; and
- Pre-tender briefings to small enterprises on tender conditions and requirements.

Mr Radebe announced a parallel programme to draw black-owned consultancy firms and those with established affirmative action records into the government contract environment.

Over the next six months, the Department of Public Works would seek out, and advertise for, emerging consultancy firms to take on smaller projects.

The department would then draw up twin rosters of development, architecture and town planning consultancies.

Firms would drop to the bottom of their respective lists after every government contract awarded to them. — Reuter.

New Editor defines his role

MELANIE GOSLING
STAFF REPORTER

MR MOEGSIEN WILLIAMS, who was named this week as the first black editor of the Cape Times, says his appointment is of symbolic importance for the Argus Company.

"In view of my colour my appointment makes a statement that the Argus is changing," he said yesterday.

Mr Williams, 42, who is currently editor of the Pretoria News, said he was a firm believer in affirmative action.

"I'm a black person in the

generic sense of the word and historically black people have been disadvantaged in this country. There is absolutely nothing wrong with affirmative action.

"At the same time I have confidence in my skills and ability. In many cases the black person chosen on an affirmative action programme is better than the others."

He said newspaper companies had often concentrated too much on their product and not enough on their staff.

"I see a newspaper in two ways — the ink on newsprint and the people who make the product possible. The problem is that some-

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times too much emphasis is placed on the product and to hell with the people.

"I'm more of a democrat. I believe in a staff who are highly motivated, enthusiastic, and loyal to the profession and the newspaper. I will be looking at the working environment."

Asked how he saw the role of women in newspapers, he said he was "very sensitive" to the need for gender equality.

He said one of the major challenges he faced was one which currently faced many South African editors — decreasing circulation and how to deal with it.

Forced integration 'no answer'

176
BD 8/6/95
Amanda Vermeulen

ATTEMPTS at building management leadership in a diverse and multicultural environment are having little effect, says management consultant John Grove.

He feels affirmative action terminology has assumed negative connotations in many instances, often resulting in quotas, tokenism and patronising behaviour.

"Not only is the current practice failing to achieve the desired effect, but few people even believe it will result in a truly effective integrated business."

Grove said the answer to these issues could not be found in forcing companies to integrate. The resources of all the decision-makers had to be concentrated on finding a long-term, sustainable solution.

Established business had to move away from entrenched practices, to learn from others without being condescending, and

appreciate the strengths and diversities offered by all South Africans.

By the same token, many of the cultures left out of the mainstream economy needed to be proactive and constructive.

But forced integration was not the solution. Research had shown that the least productive working groups were those in which integration was enforced. Groups given a free rein to encompass their diversity and individualism had been the best performers with the highest productivity.

Businesses had to understand that the culture within the environment in which they worked was dynamic, and none should feel they had to subjugate themselves to one particular culture.

All the groups in a successful structure would abide by the rules they had created. This was not likely to be an easy process, but it had to be tackled by the decision- and policy-makers in business.

Race favoured over sex

(17b) CT(BR) 8/6/95

BY DAVE CANNING

STAFF WRITER

Most large companies in KwaZulu Natal have affirmative action programmes based on race rather than sex. Yet the progress of black people to top positions remains painfully slow.

These are among conclusions of a survey of 30 major KwaZulu Natal companies, employing 65 000 people, undertaken by management consultants Owen, Adendorff and Associates.

While 64 percent of the companies have affirmative action policies, only 20 percent presently include women and 16 percent disabled persons.

The survey found that 48 percent of companies viewed affirmative action as involving mainly African candidates, and to a lesser extent, Indians and people of mixed race.

The appointment of black people to middle, senior and top positions "remains painfully slow, largely due to the chronic shortage of suitably qualified and experienced people. The retention of such people, once appointed, remains equally challenging and difficult."

A major problem is the move towards flatter structures, which is reducing opportunities for promotion.

Sensitivity and resistance to affirmative action programmes remains high among white middle management, as well as mixed race and Indian foremen who feel they are training affirmative action appointees to take over their jobs.

"Affirmative action seems poised for take-off in KwaZulu Natal, but there is still the need for much sensitivity, tolerance and understanding in how it is implemented and managed," the survey says.

Affirmative action, Sorghum Breweries-style

BY NEWTON KANHEMA

SPECIAL WRITER

If you are a black woman and professionally qualified in these days of affirmative action you are gold.

One piece of gold of this kind is Sinnah Ramakhula, who is the executive director for the national economic education trust at the National Sorghum Brewery — the biggest black owned company in South Africa.

The brewers received an award for their affirmative policy last year. They have since proved that appointing black people to more responsible positions does not mean an automatic lowering of standards or a drop in profits. Last year the company's profits went up by 12 percent.

Before meeting a reporter from Business Report, Ramakhula was chairing an executive meeting with the people who formulate and implement business strategies of a company with a R600 million turnover. With fifteen powerful men at the boardroom table, Ramakhula does not feel intimidated at all.

"These men are aware that women are as capable as they are. I am sure they appointed me to this position because of my abilities and not my gender," Ramakhula said in an interview in her Sandton office.

With a budget of R30 million under her control, Ramakhula is the most powerful woman in the organisation.

"Our company pays considerable attention to social responsibil-



WOMAN OF SUBSTANCE Sinnah Ramakhula (centre) chairs an executive meeting of a corporation with an annual turnover of R600 million

PHOTO: JOHN WOODROOF

ty and we award scholarships and bursaries to students doing tertiary education," she said.

National Sorghum Breweries has 19 breweries countrywide, so the bursaries offered by the company cover the whole country.

"At the moment we sponsor 744 students, both at universities and technicians, at a cost of R1,6 million," she said. Last year alone she received 1 740 applications for educational funding, of whom only 664 were qualified for the categories sponsored by the breweries.

The company sponsors stu-

dents pursuing the following fields of studies: Commerce, finance, science, agricultural science, engineering, and corporate law and labour law.

"This fund was established for purposes of providing finance exclusively for business studies for underprivileged South Africans at tertiary level. I believe we are the company that carries the hopes and aspirations of the disadvantaged people.

I think there will never be justice, fairness and equality unless past inequalities are addressed at tertiary level through programmes

of affirmative action, empowering disadvantaged people with the highest quality and most relevant education," said Ramakhula, who is an educationist by training.

Asked whether the company bonded those students they had sponsored for future employment, she said their aim was to empower without any strings attached.

"We believe in empowering people. If one is good and meets our criteria we will sponsor them," said Ramakhula.

Another powerful woman in the organisation is Moja Mahloele, who was appointed company sec-

retary at the beginning of the year. After graduating with a law degree, Mahloele joined the National Sorghum Breweries in 1992 as an internal auditor. She was later transferred to the legal department as a legal manager in 1993. In her new position, she has to keep and update the company and its subsidiaries' statutory records. This effectively means complying fully with the regulations of the Company's Act.

"Failure to abide by these regulations subjects the company to penalties. I am basically the 'keeper of secrets'. Some of my duties are to ensure that adequate contact is made between the board of directors on the one hand and the company's executives on the other hand," said Mahloele.

Time management is more critical to women in executive positions as they also have to attend to their responsibilities back home. Mahloele is a married mother of three. She says some days she goes home very late and some days she has to travel out of town.

"I have an understanding husband; he was once a company secretary and he just has to understand.

"If you marry a career woman you must always be aware of the consequences.

"If one does not like my kind of schedule then I have to stop working and be a professional housewife. Unfortunately I wasn't really cut out to be a housewife," said Mahloele.

By Thabo Rapoo

THE RECONSTRUCTION AND Development Programme has achieved the status of a holy document, because of the broad consensus it managed to secure around an identifiable set of objectives and ideals.

One of the most appealing aspects of the RDP, particularly to the black masses, is its promise of redressing past racial imbalances through affirmative action.

AA derives from the ideals and objectives of social justice. In other words, it denotes proactive, not reactive, efforts to advance the ideals and political vision underlying the RDP.

Supporters of AA believe it underpins the democratic ideal of just distribution, particularly given the legacy of past, deliberate racial injustices.

There are two perspectives regarding AA as a strategy. One option is that it could involve some sort of deliberate policy of preferential treatment to those groups that experienced massive disadvantages at the hands of formal, informal and government institutions.

The second option, normally supported by "liberals" and conservatives, is a limited and more circumscribed notion of "equal opportunities". The idea here is that what is needed for non-whites and women is nothing more than equal chances with previously advantaged social groups.

The striking feature of this debate is the extent to which it has degenerated into a confusing farce, with many conservatives and reformers peyoratively labelling AA as "reverse discrimination".

This charge seems to be a theoretical device to detract from the fundamentally sound principle of social and distributive justice as embodied in the principle of AA, as well as the RDP.

This is not an attempt to down-play the potential dangers of badly designed AA strategies, which could lead to social injustice and discontent by those who perceive it as racial discrimination.

The potential dangers, however, should not discredit the whole principle and its objectives.

(176) Sowetan 12/6/95

Affirmative action in danger

AA supporters say it underpins the democratic ideal of just distribution

capacity of the society will be unlocked". Another ominous development is that the Constitutional Assembly committee dealing with the issue has decided to drop the notion of AA and replace it with the phrase "furthering access to equal opportunities".

Add this to the fact that an overwhelming number of business corporations in this country disapprove of the notion of AA, leading some of them to devise rather vague and undefined

phrases such as "diversity management". The pro-AA lobby is clearly losing the debate, firstly by failing to articulate what they mean by AA, and how it would apply in practice.

This has clearly gone badly wrong, and to recover and gain the high ground would require a massive political and conceptual effort. The other debilitating factor for proponents of AA is the preva-

lent disagreement inside the (particularly black) pro-AA lobby.

The paradox is that, as a result of the divisions and disagreements among AA proponents, it has increasingly fallen in the hands of their opponents to define what AA means, its limits and policy objectives.

● The writer is a researcher at the Centre for Policy Studies, Johannesburg.

The argument for AA in this country is so weak and unprincipled as to risk being lost even before the signing of practical implementation of AA programmes has begun.

For instance, even the original RDP document implies, rather than clearly states and defines, what AA entails in terms of practical policy strategies.

The RDP White Paper itself only goes as far as saying "discrimination on the grounds of race, class and gender will be abolished and the creative ca-

Rights should not be infringed - NP

Affirmative action laws debated in CA (176)

STW 13/6/95

Cape Town — Affirmative action programmes that were misconceived, poorly focused or badly executed squandered resources, destroyed productivity and aggravated inequality, DP human rights spokesman Dene Smuts said in the Constitutional Assembly yesterday.

The affirmative action clause in a future bill of rights should enable courts to evaluate the aims of such programmes and the means by which they were achieved, said Smuts before the theme committee dealing with fundamental rights.

She was outlining the DP submission on the right to equality.

To ensure adequate protection the word "reasonable" should be

included in the constitutional clause providing for the advancement of people or groups who had been previously unfairly discriminated against.

"Reasonableness as a standard of justification will allow the courts to inquire into and ensure that affirmative action programmes do not become limitless, discriminatory or oppressive," she said.

The ANC opposed the qualification, arguing that the provision was already subject to the limitation clause in the constitution which provided sufficient safeguards.

Naledi Pandor said the ANC opposed the abuse of affirmative action to favour individuals.

It also had no objection to affirmative action programmes including clear and specific criteria, for example the admission requirements of universities, said Pandor.

Senator Ray Radue (NP) said affirmative action should not be implemented so that the constitutional rights of any person were infringed or negated and should only apply until the objective of equality was achieved.

"Affirmative action is not a licence for reverse discrimination. One cannot grant rights by infringing the rights of others.

"Justice is not served when individuals are penalised to correct the wrongdoings of the State," he said. — Sapa.

US affirmative action dealt a body blow

The US Supreme Court has struck a damaging blow to government affirmative action programmes, restricting their use so narrowly that many observers believe they will become impossible to implement. The close, 5-4 judgment of America's highest court this week was hailed by conservatives as the beginning of the end for government race-preference policies.

Black and other pro-affirmative action groups admitted it had been a setback, although they took comfort from the fact that the court had not ruled out affirmative action altogether. The court's ruling has been received as a landmark decision in the furious debate here about affirmative action. It was given banner treatment in the US media yesterday.

Although the judgment did not strike down affirmative action completely, it imposed such narrow restrictions on it that many commentators said it would be hard to imagine what sort of programme would pass the new test.

The case is being seen as having substantial political implications for an issue which is shaping up to be one of the most important in the 1996 presidential elections. Several

A COURT ruling on the American affirmative action programme has thrown President Clinton's plans into disarray, writes Peter Fabricius in Washington

176

Star 15/6/95

Republican presidential candidates have already declared their intention to scrap affirmative action and a proposition to that effect will be on the ballot of at least one state, California, in that election.

The issue presents a major dilemma to President Clinton, threatening to drive a wedge between core constituencies of the Democratic Party, dividing white males on the one side from blacks, other minorities and women (who also benefit from affirmative action) on the other. He has ordered a major review of government affirmative action policies as a result.

It was not clear yesterday whether the court's ruling would harm or help Clinton. Some of his advisers suggested it would help since the court had provided cover for him by ruling that the more general affirmative action policies were

unacceptable, while not ruling out the principle altogether.

The court ruled that classifying people by race rather than as individuals must be presumed to be unconstitutional, even when it was done for "benign" purposes.

Affirmative action programmes for this purpose could only be acceptable if they served a "compelling government purpose" and were "narrowly tailored" to achieve that purpose.

The court did not offer examples of the kind of programme which would pass the new test it laid down but suggested that the only acceptable policies were those which specifically addressed past or present discrimination. It suggested the government should consider "race-neutral" means to increase black and other minority group participation or should ensure that affirmative action programmes were limited

so that they did not last longer than the discriminatory effects they were designed to eliminate.

Quint Bolick, litigation director for the Institute for Justice, who has written legislation for the Republican Party to scrap federal affirmative action, said the court's judgment was the "beginning of the end for race-preference policies".

Other commentators agreed that the court had effectively stifled affirmative action policies by placing them in such a narrow straight-jacket. But in the opinion she wrote for the majority, Justice Sandra Day O'Connor insisted that the judgment was not a fatal blow to affirmative action.

"Government is not disqualified from acting in response to the unhappy persistence of both the practice and the lingering effects of racial discrimination against minority groups in this country," she said. "When race-based action is necessary to further a compelling interest, such action is within constitutional constraints if it satisfies the 'narrow-tailoring' test set out in this court's previous cases."

The two most conservative justices — Antonin Scalia and Clarence Thomas — wrote a

separate opinion in which they argued that there could never be a "compelling government interest" in pursuing race-based policies and so affirmative action policies should be scrapped altogether. The four liberal justices issued a dissenting opinion, criticising the majority for putting affirmative action in the same category as racial prejudice.

They argued that race-preference for the purposes of remedying past racial discrimination should be treated differently. The case which the court ruled on was brought by a white businessman who complained that he had been discriminated against because he lost a contract to build highway guardrails to a minority-owned company which won it because of an affirmative action policy. He said the policy infringed the equal protection component of the fifth amendment to the constitution which guarantees citizens due process of the law.

The Supreme Court did not strike down the specific affirmative action policy involved but ordered the lower courts which had ruled against the white contractor to re-consider the case using the new stricter guidelines it had now spelt out.

Black professionals' survival kit

(176) Sowetan 19/6/95

Book to provide a support system for professionals

By Ruth Bhengu

WRITERS OFTEN WRITE because they like what they do. Apart from the compulsion they feel to express their

ideas and feelings on paper, they write because it is something that gives them immense gratification.

Cape Town-based author and attorney Christine Qunta is no different but she does not know it.

She says she writes because there are things to be said and someone must say them. Otherwise she does not enjoy it. In fact, she maintains that writing is positively painful.

But Qunta, who has just published a survival guide for black professionals entitled *Who's afraid of affirmative action?*, has ink in her veins. Her face lights up like a neon light when she talks about the pain and joys of the craft — the discipline required to achieve any measure of success, the unreasonable sacrifices and the frustrations of trying to find the right words to convey ideas, the downright craziness that takes over a writer until the work is published and the indescribable feeling of satisfaction afterwards.

All these she knows very well. But she also knows a lot about being a highly paid and under-utilised black executive



LOOKING INTO THE FUTURE ... Christine Qunta is a poet, author, lawyer and activist.

PICTURE BY SELLO MOTSEPE

(In coping with racism, Qunta writes: "Entering the white corporate world is like entering alien territory, where your every move has to be taken with as much precision and forethought as when you are negotiating a war zone."

ing, very often humiliating and painful." There is also a chapter in her book to help companies implement affirmative action successfully. For affirmative action to be successful, Qunta maintains, management must have the right attitude.

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Common problems

As a legal consultant in one of the top three companies in the country, she encountered many obstacles and started speaking to other blacks in similar positions and found her problems were common.

"This book was written from my experiences in the corporate world," says Qunta, who spent 17 years in exile. "Although I knew I would have problems, I did not anticipate the depth of resistance in white corporations to black advancement."

"What black professionals experience can only be described as traumatic. I found that black executives were isolated and had no support within or outside their organisations."

"The nigger one goes, the colder and lonelier it becomes. Blacks who are in top management positions are the ones who need support most."

"So I felt I had to do something. My book is meant to give advice as well as provide a support system to those black professionals."

Although many books on affirmative action have been published recently, Qunta believes her book is unique in that it addresses black professionals and offers solutions.

A stark picture

She hopes to teach black professionals how to play the corporate game. She paints a stark picture of what it is like to be a black professional without the support systems that whites take for granted. But she also gives black executives survival skills to overcome the obstacles and form their own support systems.

Qunta strongly advocates that blacks in higher positions should be mentors to their juniors and help build their confidence.

She also tackles racism, which she thinks is the main reason why blacks are slotted into window-dressing positions instead of positions where they can exercise power and bring about meaningful changes in the corporate world.

of the outside world insofar as race relations are concerned, but it is at the same time a concentrated version of it.

"Here, all the conflicts and the foolish racial myths and actions motivated by those myths are magnified, yet concealed artfully behind a veil of decency and corporate efficiency."

"It's a world where everything appears normal yet everything is so abnormal."

"The majority becomes the minority; a skilled position is treated as a favour, not a right; people get paid huge sums to be seen and not heard; MDs say soothing things about change and repositioning, while in the open-plan offices the air of hostility suffocates."

Racial harmony

"This is the real corporate world. If you enter it with any illusion about racial harmony, acceptance and job satisfaction, you will get the equivalent of an unexpected punch in your solar plexus."

"To enable you to survive, you will need to understand exactly what motivates management and white employees to act in certain ways. You need to be prepared for the worst."

"If you are lucky, the worst may not happen to you. But it is more likely that sooner or later you will encounter problems that have nothing to do with your skills, intelligence or work record but only with your race."

"Racism will account for virtually all these problems. It will manifest itself in different forms but it will be the reason why people act towards you in ways that are sometimes irritating, sometimes enraging."

"If companies can accept that affirmative action is a strategic investment policy and not some largesse they hand out to undeserving and unqualified blacks, then the problems that have plagued us up to now will be halved," she says.

Two requirements

Apart from the right attitude on the part of management, Qunta believes there are two essential requirements for affirmative action to succeed.

The first is getting the numbers right so that corporations are representative of the broader population. The second is creating a work environment that will allow black employees to flourish and achieve their best.

Qunta, who has just set up a practice in Cape Town's central business district, is one of the few black corporate lawyers in the country and the first black woman to open a business in the area.

The Kimberley-born mother of two obtained her law degree at the University of New South Wales in Australia, and has lived in Botswana and Zimbabwe.

One of her first books is *Women in Southern Africa*, which analyses the social, political and legal position of African women.

She has also published two books of poetry and articles on women's issues, African history, politics and arts. She will also write a weekly column for a black newspaper.

One of the areas she intends focussing on is representing black artists, who are among the poorest and most disadvantaged professionals in our society.

Qunta has only been back home for a few months but is already making waves.

Editor on leave

Editor Aggrey Klaaste is on leave. His column, *On The Line*, will be resumed when he returns next week.

to handle problems, from grievances to discipline, will be gained.

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Name	Buyer		Seller		Last	H	L
	Buyer	Seller	Buyer	Seller			
1. Nail	R1.30	R1.35	R1.30	R2.00	R1.30		
2. Kilimanjaro	R2.70	R2.85	R2.85	R3.50	R3.00		
3. African Life		R6.75	R6.50	R7.35	R4.60		
4. Metropolitan		R35.75	R36.50	R37.00	R25.75		
5. Corp Africa			R1.00	R1.00	R1.10		
6. Corp Africa Pref			R1.10	R1.10	R1.25		
7. Real Africa Investment	R2.20	R2.20	R2.20	R2.70	R2.10		

Glossary: Buyer: Price at which the share was bought. Seller: Price at which the share was sold. Last: Last traded price on the share. H: Highest level share reached this year. L: Lowest level the share reached this year.

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Asmal unveils jobs equity plan

CT 21/6/95 (208) (176)

THE Department of Water Affairs and Forestry has circulated a draft employment policy that will require all companies working for it to have an affirmative action policy.

The document, unveiled by Professor Kader Asmal at a standing committee briefing yesterday, aims to correct race, gender and disability imbalances in the composition of the workforce which are a result of past discrimination.

Prof Asmal said the department's staff had increased from about 8 000 to 30 000 after the incorporation of the TBVC states, without any significant increase in its budget.

The document aimed to create an organisational culture that would encourage productivity and respect for diversity.

An employment equity committee would be formed to evaluate the department's staff composi-



EQUITY: Professor Kader Asmal

tion and a grievance procedure would be established for employees who felt prejudiced by the implementation of the employment equity policy.

The document also protects employees against gender discrimination in salaries and benefits, and makes persistent sexual harassment a dismissible offence.

Strike strands 200 000 commuters

DURBAN. — Up to 200 000 commuters were stranded today after about 300 white train drivers refused to work in protest against employer's affirmative action policies, a Spoornet official said.

"At the moment 300 drivers are involved. (176) (233) (219)

"They are not happy with the affirmative action policy we are following.

"Between 100 000 to 200 000 commuters are affected," said Spoornet

official Peter Mitchell.

He said negotiations were taking place: "They have not given us details yet of what they are not happy with."

Mr Mitchell said there were no commuter trains running from Kelso on the south coast up to Durban. ARG 23/6/95

Townships around the city were also affected, he said.

The strike started at 2 am this morning, he added. — Reuter.

Makaziwe maintains a balance

By Arlene Getz
Gemini News Service

Political correctness is to be expected from the daughter of Nelson Mandela, one of the most revered fighters against apartheid

(126)

MAKAZIWE Mandela's audience was amazed, because political correctness is to be expected from the daughter of one of Africa's most revered anti-apartheid fighters.

Yet at a recent American conference on women's rights, she defended *lobola* against feminist charges that the practice represents a degrading sale of women.

"I have no problem with *lobola*," says Mandela, who holds a Ph D in cultural anthropology from the University of Massachusetts.

"I don't believe the aim of *lobola* is to sell a woman. It is to solidify the relationship, to give respect to the woman and the child, so the man can in future take care of the woman and the children."

The usually protracted negotiations over a bride price was not only an insurance for the years ahead, she explained in an interview: the involvement of the extended family also cemented bonds between the couple's in-laws. Within hours, many equally high-pow-

Sowetan 23/6/95

ered African women supported *lobola*. Some seemed relieved Mandela had aired the issue publicly.

Yet, for the 40-year-old daughter of President Nelson Mandela, the debate highlighted the difficulty of trying to be both a modern woman and an upholder of African traditional values.

"Black women, whether educated or not, whether wealthy or not, have to maintain a balancing act," she said. "They face great pressure from parents and grandparents who believe the man should be in charge of the household."

In her own home, her mother Evelyn "stamps her foot" when she finds her son-in-law sharing chores such as cooking and ironing. Mandela, however, is less concerned with women's rights than with black rights.

Last August, she was appointed as the affirmative action adviser to the University of the Witwatersrand.

Her job is to counsel an institution which has moved from a whites-only campus to one with a 40 percent black student body.

Racial tension

The campus is rife with racial tension, and black students' demands for bodies such as a representative council have turned ugly on several occasions.

Problems on the campus are also a microcosm of the challenges facing President Mandela's government in its efforts to improve the lives of the black majority.

Makaziwe realises there is no quick fix for these problems: "I've been at my post less than a year and it's very hard to say it is successful."

One difficulty, she says, is a lack of money to develop an affirmative action policy. Nevertheless, she remains convinced such a plan is necessary.

"We cannot ignore the inequities of the past," she says. "A large popula-

tion of black people were excluded from certain privileges — education, employment and so forth.

"You cannot say now that apartheid has gone things are normal, now you can either sink or jump for it. You've got to be able to give people the tools to be able to swim, otherwise they drown."

Affirmative action

"I see affirmative action as the process of giving people those tools."

For now, her priority is to increase the number of black academic staff: "Black students have got to feel it is possible for black people to be professors, to be in senior positions."

"The dilemma we face is that black students aren't reflected within the system. They see the structure still being dominated by the white male."

She says she is focusing less on gender than on race "because race is a priority in South Africa".

Mandela, a mother of four, is eloquent about her commitment to black higher education. Her passion shifts, though, to defensive resignation when asked about her famous father.

No hang-ups

"I think I've come to terms with living with the Mandela name. I don't have hang-ups. I just decided I'm my own individual person. I want to be in charge of my life," she says tersely.

The first time she was allowed to visit her father in prison was in 1968,



Makaziwe Mandela

more than five years after she had last seen him. She continued to see him only once or twice a year during his incarceration.

"Any child feels the absence of a father. I was not different," she says.

Not a victim

Still, Mandela refuses to be cast as a victim. "I don't think I have suffered as much as other people have suffered in South Africa — the people who grew up in poverty, who didn't have food in their homes."

"At least I had three meals a day. I had the opportunity to get a good education, so I had some privileges that most South Africans didn't have."



Affirmative action under fire

After three decades of controversy, affirmative action is on the retreat in the United States.

PETER FABRICIUS Foreign Service

WASHINGTON, — Legislation unravelling the tangled web of affirmative action laws and regulations, which were designed to boost minorities and women, has already begun to move through the Republican Party-controlled US Congress.

A proposition to scrap affirmative action is to be placed on the ballot in California during next year's presidential elections, setting a precedent for other states.

The principal Republican presidential candidates have vowed to dismantle affirmative action and President Clinton — feeling the pressure of polls showing a clear majority of voters oppose the policy — has ordered a review which will almost certainly lead to the repeal of a whole batch of affirmative action measures.

And recently the US Supreme Court handed down a major precedent-setting judgment which, though it did not outlaw affirmative action, imposed restrictions that many experts believe will all but strangle it.

The court delivered its crucial judgement on a case called *Adarand Constructors Inc v Peña*. Adarand Constructors is a Colorado-based company which erects highway guard rails. It bid lowest on a sub-contract but lost the job to another firm owned by a member of a "minority" group (in this case Hispanic). The main contractor gave the guard-rail sub-contract to the Hispanic firm because of a federal affirmative-action programme that awards prime contractors a bonus of up to 10 percent of the sub-contract value, if they sub-contract to "disadvantaged" minority-owned businesses.



Bill Clinton

Adarand complained to the Supreme Court that this race-based policy of compensating businesses for giving preferences to minorities, violated the equal protection component of the Fifth Amendment to the Constitution which guarantees due process of law.

In a 9-to-4 decision, the court ruled that any policy based on racial classification and racial preference, even if motivated by a benign purpose, was in principle unconstitutional and could only be justified if it served a "compelling" government interest and was "narrowly-tailored" to remedy specific past discrimination.

That decision overturned a previous decision, which had ruled that federal affirmative action programmes were acceptable even if they were only aimed broadly at remedying general societal discrimination in the past or at creating racial and gender "diversity" in society.

The Supreme Court, mandatingly, did not spell out exactly what sort of affirmative action programme would pass the new test it had just laid down. It did not even decide whether the specific affirma-

US legislation likely to be repealed to untangle web of rules, regulations

live programme before it was acceptable but instead remanded the case back to the lower courts to make that decision.

This vagueness has prompted a wide range of opinions about the extent of the court's ruling, some — including both affirmative action advocates and opponents — believe the court has dealt an extremely damaging, even fatal, blow to affirmative action.

Clint Bolick, vice president of the Institute for Justice, and author of pending Republican legislation to roll back affirmative action, declares that the Adarand judgment is "the beginning of the end for affirmative action."

Others, like Rainbow Coalition president Jesse Jackson, insist that although the judgement will make affirmative action more difficult to implement, it will by no means kill it. He says that state and local affirmative action programmes have for years been subject to the same strict standards as the court has now stipulated for federal programmes — and many have survived.

The court itself insisted that its decision was not fatal to affirmative action. "Government is not disqualified from acting in response to the unhappy persistence of both the practice and the lingering effects of racial discrimination against minority groups in this country," it said.

But the absence of concrete examples has been disconcerting to affirmative action advocates who wonder what, if any, programme could pass the tests of "compelling interests" and "narrow-tailoring" to remedy past discrimination.

The court did offer a few vague clues to its thinking, suggesting that future affirma-

tive action in government business contracting should use "race-neutral" means to increase minority business participation" and that programmes should be limited so that they did not last longer than the discriminatory effects they were designed to eliminate.

But commentators have remarked that "race-neutral" affirmative action may be a contradiction in terms since it is of the very essence of affirmative action to boost certain races to compensate for racial discrimination.

They have also asked whether it is possible to create affirmative action programmes that are so precise as to last only long enough to address the effects of past discrimination.

This and previous court rulings suggest that the only acceptable programmes are those implemented by government departments which have been proven to have practised racial discrimination in the past.

In this judgment, for instance, the court noted that in 1987, every one of its justices had agreed that the Alabama department of public safety's "pervasive, systematic and obstinate discriminatory conduct" justified a narrowly-tailored, race-based remedy.

For the past 30 years, the schools, especially in the south, have been a ripe field for affirmative action because they practised racial discrimination and segregation so explicitly. That was why in the 60s schools experienced a rash of government and court interventions such as busing and "magnet" programmes to try to overcome segregation.

But it has been a long time since any school practised official segregation and so the

case that schools are still suffering from the "lingering effects" of past discrimination has become extremely difficult to make.

The court illustrated this point itself in another judgement handed down at the same time as Adarand, involving the Kansas City, Missouri, school district. For 17 years Missouri has been under a federal court-ordered programme to upgrade and desegregate the schools in this mostly black district, to compensate for its explicitly discriminatory policies in the past.

Missouri has already spent some three-billion dollars on the programme, at a per-

centage rate about double the state average, building sports complexes with Olympic-size pools and establishing quality academic courses such as Greek and advanced computer science.

But still the black students (or their lawyers) who originally sued Missouri 17 years ago to upgrade the schools, are not satisfied. They argued to the court that academic scores of black students in the Kansas City district were still not up to national averages, proving that the students were still suffering the lingering effects of segregation.

Missouri countered that it could not be held responsible

(176) RLG 24/6/95



Jesse Jackson

for bringing academic scores up to par as these could be

affected by causes beyond its control. It said if that was the standard, it might remain under court orders forever, spending a fortune and depriving other schools in the state.

The Supreme Court agreed, deciding that Missouri had made a good-faith effort to correct its past mistakes and could now be relieved of its special responsibilities.

But the crucial question remained unanswered, how do you determine objectively when the lingering effects of discrimination have been remedied? The Kansas City court decision suggested that, 50 years after the end of discrimination, it is impossible to detect its lingering effects with any certainty. The trail, as it were, has gone cold.

The underlying message of both court decisions seems to be that in America the age of affirmative action is drawing up to par as these could be to a close.

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Cops defend jobs policy

DAN SIMON

(176) (del) (del)
THE rapid promotion of affirmative action candidates in the second round of appointments to senior police posts was "justified and necessary", according to a Stellenbosch University professor sitting on the police promotions panel.

Professor Erwin Schwella, of the school of public administration, said the transition in the SA Police Service had produced "tangible results". CT 26/6/95

Senior officers in the Western Cape recently voiced their concern over the criteria used for the selection process.

Prof Schwella said there were "a few cases of rapid promotions, but they are justified because of the previous experience of candidates and the needs of current political circumstances".

"Those who were appointed should be given a chance," he said.

FW slams affirmative action implementation

Robyn Chalmers

SUN CITY — Deputy President FW de Klerk yesterday slammed the implementation of affirmative action philosophies as "an insult to South Africans".

De Klerk told delegates at the SA Property Owners'

Association convention that he was unhappy with the manner in which the ANC was dealing with affirmative action.

"There is a clear perception throughout SA that white males — and to a lesser extent brown and Indian males — regardless of skill or merit have very little prospect of promotion or appointment in the civil service.

"However one might try to explain this, it is perceived as reverse racial discrimination," he said.

As a result, many of the most competent and experienced people were leaving the public service which SA could ill afford. De Klerk said a judicious and balanced implementation of affirmative action based on merit would retain and motivate people.

Sanlam chairman Marinus Daling echoed De Klerk's sentiments, saying affirmative action was actually removing skills from the economy.

"The sooner we realise that skills are the backbone of our economy, the sooner we shall be on the road to success," he said.

Both De Klerk and Daling expressed concern about the dispute over the Labour Relations Act and continuing labour unrest.

De Klerk said these factors, and the lack of a cooperative relationship between labour and management, were a serious impediment to foreign investment and the creation of employment.

"The Act should state clearly that if strikes are not organised according to the correct procedures, participants will not be protected," said Daling.

De Klerk, Sanlam express alarm over affirmative action

CT(BR)30/6/95

(176)

By MAGGIE ROWLEY

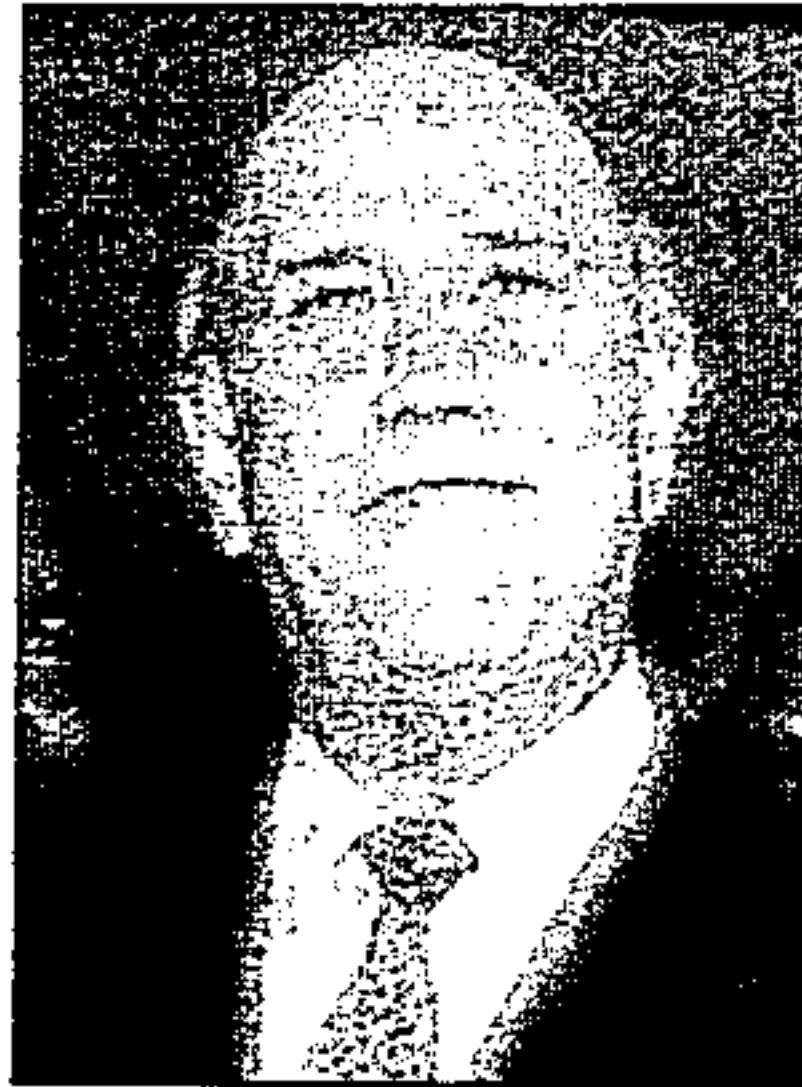
PROPERTY EDITOR

Deep concern over the way in which affirmative action was being implemented, particularly in the public service, was expressed yesterday by FW de Klerk, the deputy president, and Marinus Daling, Sanlam's chairman.

Addressing the annual South African Property Owners' Association convention, attended by about 650 foreign and national delegates at Sun City, De Klerk said the National Party was unhappy with the manner in which the ANC was dealing with affirmative action.

"There is a clear perception throughout the country that white males, and to a lesser extent brown and Indian males, regardless of skill, merit or enthusiasm, have very little prospect for promotion or appointment in the civil service.

"However, one might try to explain this away, this is perceived as reverse discrimination. As a result, many of the best, most competent and most experienced people are



FW de Klerk

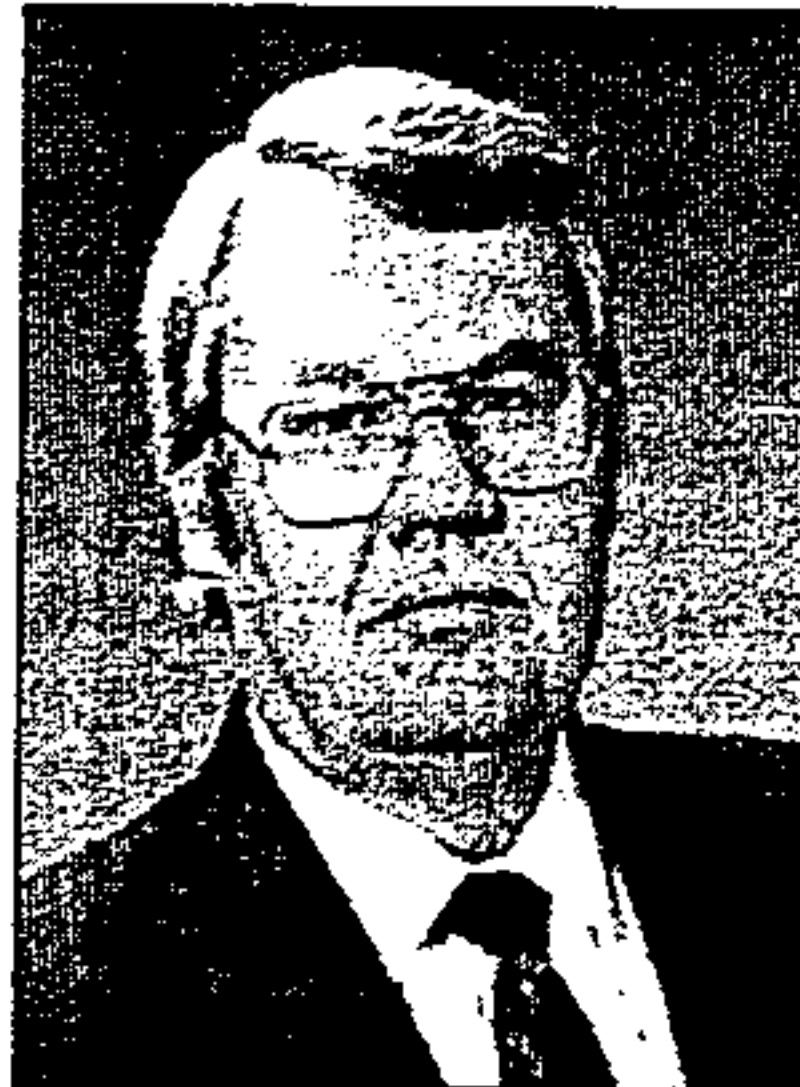
leaving the public service. These are people our country can ill afford to lose and will not be easy to replace."

De Klerk said a judicious and balanced implementation of affirmative action would seek to retain and motivate these people rather than drive them away.

His sentiments were echoed by Daling who said that South Africa was losing skills at an alarming rate through emigration and early retirement.

This could spell economic disaster, they said.

"The sooner we realise that skills are the backbone of our



Marinus Daling

economy, the sooner we shall be on the road to success.

"Affirmative action — which in itself is removing skills from our economy — will suffer directly as a result.

"You cannot develop the unskilled without the assistance of the already skilled. As a matter of urgency, we have to strike a balance between rewarding existing skills and developing new ones."

Daling said that as far as the public sector was concerned, there were indications of problems affecting the quality of administration during this period of adjustment to a new political dispensation.

It was clear from the government's recent white paper on the transformation of the public service that affirmative action policies would be vigorously pursued through the setting of targets and the strict monitoring of progress.

"In certain categories identified for affirmative action, however, there is a critical shortage of suitably qualified and experienced candidates. About 1 200 top officials have gone on early retirement and 500 more are expected to take this option before September

Both speakers also highlighted the necessity of resolving the current dispute over the draft labour legislation.

They warned that this could prove to be a serious impediment to foreign investment, competitiveness and the creation of employment.

Daling pointed out that there was no precedent anywhere in the world for labour legislation which was more favourable to labour than the proposed bill.

"For labour to use mass action as an instrument for acquiring more rights is economic suicide."

Katz to tighten the belt on tax incentives

CT(BR)30/6/95 (177)

By MAGGIE ROWLEY

PROPERTY EDITOR

Tax incentives distorted the tax system and all 200 existing incentives were being reviewed, said Michael Katz, chairman of the Katz commission on taxation.

Katz was speaking at the annual conference of the South African Property Owners' As-

sociation. He said the commission believed that existing, as well as any future tax incentives, should only be permitted within the tax system if they complied with four criteria.

These were: they should advance an important state economic objective, the tax system should be the best means of achieving this objective, the cost benefit advantages should

outweigh the disadvantages and it should not lead to large-scale avoidance

He said the commission had considered the possibility of introducing tax holidays to attract foreign investors.

The commission had found broad consensus among the local and foreign business representatives they had interviewed regarding pre-requi-

sites for choosing a country in which to invest. Political stability, the absence of exchange controls and harmonious labour relations were among the most important considerations, he said.

The commission believed a holistic new tax structure should support the reconstruction and development programme, he said.

Affirmative action queried

STAFF REPORTER

176

AFFIRMATIVE ACTION was "vital to the future of this country", yet many employers approached the issue on a cosmetic level only, a networking group on affirmative action was told yesterday.

Participants in the workshop, hosted by the Institute of Personnel Management and attended by about 45 representatives from business, personnel institutions and consultancies, said that the emphasis of affirmative action programmes was mostly on race and not on gender.

Despite support for such programmes, men remained in positions of power and women in "support roles", the delegates heard.

CT 30/6/95

Affirmative action — the new racism (176)

ARC 1/7/95

Fifth Column

A forum for guest writers

Today: PAUL JOHNSON



RACE problems can never be solved except on the basis of absolute equality under the law, in theory and as far as possible in practice.

The liberal belief that they can be magicked away by affirmative action, reverse discrimination, or whatever you like to call it — I call it anti-white discrimination — is an illusion, and persistence in it in the face of all the evidence of failure is just plain wicked.

The vast majority of Americans, including virtually all the blacks, except their paid leaders who have a vested interest in the illusion, have now accepted that there is no substitute for genuine equality and are making their feelings forcefully plain. They did so in the mid-term elections in November 1994, and in California they intend to make all forms of AA unlawful by mass vote.

Now in three historic decisions: the US Supreme Court, reflecting public feeling, has begun to dismantle the system.

The black justice, Clarence Thomas, who gave the casting vote in the most important decision, made what to me seems the most significant point in the whole controversy. Not only is this form of racial preference by law wrong in itself, he said, but it is demeaning to blacks and it makes it far more difficult for them to achieve things on merit.

He might have gone further and said what I believe to be true, that white liberals do much more harm to blacks than white racists.

Affirmative action still appears to be going strong here (in Britain), as anyone who glances at local authority job advertisements can see. Many of them are blatantly racist and make it plain that "whites need not apply".

This is legal under the present law and is strongly encouraged by the Race Relations Board, which is the only truly racist institution in the country apart from the National Front. In fact, officials of the race relations industry deliberately promote a kind of Orwellian double speak.

If, for instance, a council declares itself to be "an equal opportunities employer", you can be sure it is racist and systematically denies equal opportunities to whites.

The system is not only grossly unfair to working-class whites, who have no redress — not even the emotional one of moral outrage — but demeans and degrades blacks, who are implicitly presented as inferior people unable to get on without legal discrimination in their favour.

The only beneficiaries, so far as I can see, are black and Asian pseudo-intellectuals, who get cushy, self-important jobs within the system, and middle-class white

bour people like Tony Blair should come out and condemn it now, before they are forced to do so by coming events. None of the Tories believes in it and they profess to do so only for humbugging reasons.

However, there is another aspect of the race problem which is not quite so easily dealt with — reverse discrimination in the treatment of crime. A case in point is the persecution of the three police officers who were desperately trying to restrain the demented Joy Gardner when she, in effect, killed herself.

These officers should never have been prosecuted. The evidence that they merely did their duty was overwhelming, one being discharged by the judge, the other two by the jury. I believe the only reason they were prosecuted was that Gardner was black and it looked as though there might be a black riot unless charges were made.

Sir Paul Condon, the Metropolitan Police Commissioner, has treated the three decent and conscientious officers with a degree of disloyalty and unfairness which almost defies belief. There is no one in London — except perhaps Michael Grade — whom I would more like to see sacked and replaced by someone who is tough and colour-blind.

The trouble with the Gardner prosecutions is that they have the effect of deterring police officers from applying the law conscientiously to all, regardless of colour.

Although acquitted, the three officers have had their careers permanently damaged and have had a huge chunk taken out of their lives. Other humble police constables will take note of that, and will tend to avoid trouble with blacks behaving unlaw-

fully, unless they have no alternative.

It is no secret, for instance, that black crime in London is increasing. Of course you cannot prove it, as statistics are deliberately concealed by scared or politically correct authorities. But it seems to be a fact.

A great many people and not just Taki (see his column last week) have been mugged by two- or three-man black gangs recently, and the police seem to be doing nothing special about it.

Mugging in a big city can be dramatically reduced by firm, intelligent action on the part of the law enforcers, as the recent history of New York City has shown. New York is a much safer place since the present mayor, a no-nonsense public prosecutor type, took over from one of the silliest and weakest mayors in the city's history. (He has also got most of the beggars off the streets, another good example London could follow.)

If New York can do it, why not London? The answer, I suspect, is that if the police took vigorous and effective action against young black men behaving suspiciously in mugging target areas, there would be a hullabaloo from black "community leaders" and more threats of riots.

So nothing is done, whites continue to be mugged — increasingly — and anti-black feeling among the whites grows and will, sooner or later, spill over, as it has done in the United States.

Once again, it is in the interests of the blacks themselves for a policy of absolute equality to be followed. In the end, doing what is morally right is socially, politically and racially right, too.



(176)

1/7/95

'NOT BLACK ENOUGH TO BENEFIT'

Teachers complain of discrimination

CT 4/7/95

(176) ~~(176)~~

PORT ELIZABETH: A teachers' leader said at a conference last night that the application of affirmative action discriminated against coloured people. **JACKIE CAMERON** reports.

A PARTHEID continues to raise its ugly head — but now it is people who fought for democracy who are being discriminated against because they are not black enough.

This was said by Cape Teachers' Professional Association (CTPA) president Mr Archie Vergotine at the association's annual conference here last night.

He told teachers the battle for democracy had not ended and that they should continue being "watchdogs to ensure that we never again suffer the inequities of the past".

"Although the ANC has never promoted blacks as the only group

to be affirmed, they appear to remain silent as the process is unfolding and developing into a racial issue," he said.

"It is our duty to ensure we are not discriminated against. We constitute a power group and must not be shy about being coloured. We have our interests to protect."

Mr Vergotine also told the delegates:

- The business sector was racist and blatantly disregarded the new constitution in advertising jobs for Xhosa-speaking applicants only.

- Black people were now accorded first priority at the University of the Western Cape and the Peninsula Technikon, at the

expense of coloured people.

- The change to teaching in English at these institutions discriminated against children from rural areas.

- A proposal to fund 5% salary increases for teachers from their pension fund was unacceptable.

- Proposed changes to labour legislation to incorporate teachers into the public service together with a proposed cut of 80 000 jobs from the public service endangered more teachers' jobs.

Schools remained understaffed and overcrowded while thousands of qualified teachers remained unemployed.

"We can only build a nation if we impart education to our children. It is on our (teachers') shoulders that the responsibility lies for creating a new social order," Mr Vergotine said.

Getting the thing right

IN THE ABSENCE of a universal definition of Affirmative Action, the concept is being understood differently and implemented inconsistently by more and more individuals, companies and institutions.

This inconsistency is reflected in the way companies apply and individuals perceive AA. Compounding the problem is the fact that AA policies are being applied before legislation is promulgated. Hence, highly inconsistent and often naive measures are being applied.

While the expectation is that AA legislation will allow considerable flexibility, three issues deserve further debate: the concept, who AA should favour and its possible failure.

Firstly, because the conceptual interpretation of AA fails to state why an assertive policy on people's rights is necessary, AA is a misnomer.

It is an inappropriate description that could undermine the entire mission and vision of rectifying the imbalances and injustices of the past. Fears and misconceptions of the terms raise cause for concern. It is an American term and has been seriously misconstrued in South Africa.

I would therefore propose that we start talking of corrective action rather than AA, since the word "corrective" means serving to correct or counteract something harmful.

Secondly, if AA means the upliftment and advancement of all previously disadvantaged sectors of our society due to institutionalised racist and exclusive policies, then it should seek to redress the imbalances created by such practices.

These disadvantaged groups include blacks, women and the disabled (by blacks I refer to anyone who is not white). For most of this century, "affirmative action" was applied to all whites.

They all benefited through "AA", the sole requirement being that you had to be white.

People from the so-called coloured community and those from the Indian community in South Africa were afforded unearned privileges under apartheid, which I believe was according to exception rather than the rule.

The vicious and discriminatory policies and laws of the apartheid government were designed to secure white supremacy and a policy of exclusivity. The majority of the population was deliberately and intentionally excluded from training and upliftment programmes as they failed to meet the racially determined criteria. While the principles of proportionality and demographics may well be argued for in the CA process, there is growing concern amongst various sectors of the South African society as to who is to be favoured through CA.

It is my belief that groups must make themselves heard in this initiative and not wait for Government, which up to now has seemed to be apathetic about the concerns expressed regard-

Affirmative Action is in danger of missing its objective of rectifying the imbalances and injustices of the past, according to **Archibald Jacobs** (176) *Sowetan 5/7/95*



TODAY'S SUCCESSES ... Advocate Dikgang Moseneke (left) and Professor Jakes Gerwel have proved that skill and expertise do exist in the black community.

ing who the disadvantaged were under apartheid. It needs also to be stated that an African identity is not only held by the African in the genetic sense of the word, but by all who owe allegiance to Africa and who were, in the case of South Africa, excluded from mainstream political, social and economic development.

The second disadvantaged group is women. Women have always been the silent victims of apartheid, particularly black women. Having been marginalised and discriminated against in the workplace for most of this century, women almost came to accept the false and misconstrued perceptions of themselves.

With 53 percent of the population and one third of the workforce female, the scenario is still unsatisfactory. However, the last three decades witnessed the upward mobility of women and the quest for independence, as well as a trend towards self-reliance.

However, discriminatory and exclusive company policies are still hampering women from gaining access to managerial, administrative, senior and top management positions.

Corrective Action should actively, and perhaps aggressively, identify and develop the potential of this sector of our society, who are mostly employed as secretaries, teachers, nurses, welfare officers, or in the clothing industry where they perform menial tasks.

The third disadvantaged group in our society is the disabled. Much of the policies applied against women were also applied against the disabled. While there might be very definite physical constraints and considerations among individuals in this group, very little was done to explore the potential and skill that the disabled may have. People with physical handicaps were seldom allowed job interviews simply because they were handicapped.

Corrective Action strategies need to explore ways and investigate policy and legislation that until now have discriminated against this sector. This discrimination was often for the wrong reasons. There is also a large degree of hypocrisy practised by companies that claim they have CA policies for the disabled, while none of them employ any disabled person.

A successful Corrective Action policy is coupled to, in fact ensured, by qualitative training programmes. This to me is the most crucial element in making CA either a success or a failure; people should not be employed only to give the company the appropriate face.

If a work ethic and sound economy are what South Africa needs, then we must ensure that previously disadvantaged sectors should insist on training, if they feel a post is being offered or created for which they have not been adequately trained. Obstructionists are blinkered in their views that Corrective Action is wrong, blacks are incompetent, women make bad bosses and the disabled just cannot cope with the demands of their jobs. The successes today of yesterday's disadvantaged were clearly training-based: Advocate Dikgang Moseneke, Professor Mamphela Ramphele, Professor Jakes Gerwel and Minister Dullah Omar are but a few of the individuals who proved this point.

With the correct application of Corrective Action policies, South Africa may witness the development of a core of academics, technologists, administrators, company directors and managers that the world has seldom seen.

The peaceful transition to a democracy in April 1994 has set the stage for economic prosperity that could in due course become the envy of many a nation around the world.

(The writer is a teacher at Phuthing School, Fairways)

Affirmative (176)
action 'tops list'
CT 5/7/95

BLOEMFONTEIN: Correctional
Services parliamentary committee
chairman Mr Carl Niehaus said
yesterday affirmative action and
the promotion of blacks, Indians
and coloureds were priorities.



Academic claims coloured people benefit most from affirmative action

(176)
DAVID BREIER
Staff Reporter

ARG 8/7/95

COLOURED people have been the main beneficiaries of affirmative action job appointments in the Western Cape in spite of angry accusations that blacks have been favoured at their expense.

This is the preliminary finding of new research into affirmative action headed by eminent economist Philip Black, director of the School of Economics at the University of Cape Town.

A storm has erupted over accusations that a new form of apartheid has evolved as "politically correct" employers discriminate in favour of blacks against coloured people because they are not "dark enough".

But information gained so far in a research study shows that affirmative action policies of Western Cape employers have strongly benefited coloured people who form the majority in the province.

However the highly emotive issue of jobs appears to be open to exploitation for political ends as the province gears up for municipal elections in November or early next year.

Professor Black of UCT was awarded the Fred du Plessis bursary by Sanlam late last year to research what was happening on affirmative action — the policy which aims to redress the wrongs of the past by favouring those who had previously been discriminated against.

Professor Black said his observations so far were that accusations that affirmative action discriminated against coloured people were not the case.

"The coloured people have benefited a great deal from affirmative action — in the Western Cape it has been very much focused on the coloured community," he said.

Professor Black said affirmative action was "a little elitist" and applied largely at white collar and middle-management level.

His research had dealt mainly with the financial sector. It might vary from sector to sector, he said, but added that he would be surprised if the findings were different in other sectors such as education and tourism.

The accusations that affirmative action discriminated against coloured people, were made this week by Archie Vergotine, president of the Cape Teachers' Professional Association, and repeated by African National Congress leader in the Western Cape Chris Nissen.

Mr Vergotine said coloured people who had fought for democracy were now being discriminated against because they were not black enough.

Blacks only policy is (176) 'divisive'

CT 10/7/95

DURBAN: President Nelson Mandela said yesterday employers who claimed they could only employ blacks, turning away coloureds and Indians, were "agents of the past" intent on dividing blacks.

He told about 10 000 Hindus at a rally here that certain businesses were creating divisions among blacks, coloureds and Indians.

"Many business corporations, when people apply for jobs, if they are Indians or coloureds, they say: 'We can't employ you because now we have to employ only blacks'," Mr Mandela said.

"That is not the policy of the ANC. The firms who do that are the agents of the past. They want to create divisions.

"Affirmative action means all those who were excluded or disadvantaged, like disabled people and women, must be given an opportunity to participate in running their lives," he said to loud applause.

Mr Mandela said South Africa would become prosperous and peaceful only by unleashing the full potential of all its people.

The rally was part of the four-day World Hindu Conference being held here. —Reuter

New meaning to affirmative action

□ Companies warned not to overlook those already employed (76) *ART 17/7/95*

ROGER FRIEDMAN
Staff Reporter

A POCKET-SIZED, power-punching "rainbow national" has blown into town and is looking to be accepted as one of our own — she feels she has come home.

Part Cherokee Indian, part Jewish, part Cajun, part European, part African — Roni Burgs, an American, has just been appointed consultant on affirmative action to the South African government. She feels she has the credentials.

An adviser to Fortune 500 companies such as Microsoft and IBM, with offices in Paris, Rome and Kuala Lumpur, Dr Burgs is difficult to decipher.

A psychologist, hypnotist, former Eileen Ford model, gospel singer, author... deeply religious, highly emotional, terribly enthusiastic — ideas sprout from her mind like beans in moist cotton wool.

Dr Burgs has bought in Camps Bay (and at Auto Atlantic) and opened a new branch of her company, World Class Protocol Inc, in Ribbeck Street.

In association with Old Mutual, she presents the first of three conventions on affirmative action training skills in Sea Point today and tomorrow. The others will be held in Durban and Johannesburg.

Not that she likes the term *affirmative action*: "There is no such thing as being affirmed. God created you already affirmed. You don't affirm anybody, rather you manage by cultural diversity.

"To affirm something is to make it complete. Nobody who truly felt the trauma of apartheid can handle that. Their rage is: Look, I'm a human being. The African man wants to be respected as a man, and he is a man.

"To talk of affirming someone continually fuels devaluation. It does not cultivate the essence of valuemnt.

"The reason I refer to it as



DYNAMO: Roni Burgs, recently appointed affirmative action consultant to the South African government, with her new, soon-to-be-released book on managing fear.

affirmative action is because I must recognise the terminology that is used here. When I have the opportunity to take the podium I can extrapolate and articulate a new mind set.

"Empowerment is about cultivating people, giving them the means to grow themselves. If they lack training, give it to them. If nobody in your company is succinctly qualified to do a particular job, train them.

"If you want to make your company work, stop offending people already working for

you by overlooking them.

"That's what affirmative action is: skills training."

And that is what she has been telling parliamentarians and State officials since being appointed as an affirmative action consultant by Chief Whip Arnold Stofelle last month.

Although she commands public speaking fees running to tens of thousands of dollars a day, Dr Burgs' work for the government is offered free of charge.

She believes overcoming

How to control your fears and start caring for yourself.
Dr. Roni Burgs

Living, Loving, Laughing, Lib, Long Lessons From Fear

Picture: LEON MULLER, The Argus.

cause they have been convinced that it is strictly and solely for them. White people fear the overseas experts who are coming into the country. But the greatest fear is felt in the coloured community.

"If you want to empower people focus on skills, cross-cultural development and the fears everyone has."

Dr Burgs thinks it would be disastrous for South Africa to follow the same path of affirmative action the United States has.

"Africans do not fear it be-

"We've screwed it up," she says. "You must know of the hardships and the distortions created in the United States due to legislating affirmative action."

Indeed, the United States has never been able to deal with its own multi-racialism, she says.

"The US is literally morbid when it comes to race relations. It tackles fear very differently to countries in the East.

"The US is very self-centred. We are very spoiled. We have the pearls of life but tend to take everything for granted.

"I have found other countries a lot more sensitive to other's needs... multi-racial countries such as Singapore, Malaysia and Hong Kong have a greater understanding of cross-culturalism.

"They have facilities for all races. It creates a healthy balance and makes all races feel good about their own ethnicity."

Dr Burgs said she never understood the value of the cultural diversity that flowed through her veins until she left the United States 10 years ago.

"For many years I did not accept my blackness. I was ashamed of my own people in my country. We exuded too much rage. The toy-toy, to me, gives a sense of honour. African Americans do not understand the true essence of their roots."

Dr Burgs feels she has come home: "I hope that what I can do towards multi-racial harmony and communication will be a blessing to South Africa. I brought my own money, and am employing South Africans.

"In all my travels overseas, in all my meetings with chief executives, I have been stressing the need not just to export to South Africa but to come and set up businesses here and employ South Africans."

White Telkom staff may strike over merit system

BY JUSTICE MALALA
LABOUR REPORTER

Witwatersrand communication services may be severely disrupted next month if about 6 000 white Telkom workers in key positions vote to embark on a strike over affirmative action.

Spokesman for the whites-only Mineworkers' Union (MWU) A C van Wyk said yesterday the union would be conducting a strike ballot among its members in this region on July 31, after negotiations about Telkom's merit system deadlocked.

"Telkom's view is that the MWU is not acting in good faith as they are still negotiating with Telkom at national level and have already indicated that they support the company's affirmative action policy," it said.

Van Wyk said Telkom had un-

ilaterally scrapped a longstanding merit system and was now advertising posts which were being filled by affirmative action appointees only.

"They are appointing people without qualifications and experience at the expense of our members. We consider this to be unfair as our members have the experience but are being ignored," he said.

Telkom said the advertising of posts was only an interim arrangement until a new merit system in line with affirmative action policies had been found through negotiations with the unions.

Van Wyk said the union had key technical members in Telkom divisions which were responsible for television, radio, satellite and telegraph services.

(152) (176) STW 21/7/95 (176)

FORUM

Big business must adapt to black empowerment

SUMNER JONES

SARAH WATTS

With black business aggressively on the acquisition trail, every potential deal has a black empowerment aspect, said Mohli Bandulal, an investment analyst and black empowerment guru at Frankel Pollak Vindering, in a warning to established corporate business to readjust its vision.

"The corporate deals, purchases and mergers traditional business has enjoyed over the years will not be available to them any more because black groups will be knocking on the same doors.

"Effectively, the established listed companies are going to have to consistently source new markets and become far more dynamic and entrepreneurial in management styles and acquisition philosophies.

"The person who has a very distinctive entrepreneurial flair, who is dynamic and innovative will be the one to survive. Those still caught up in old time monolithic corporate structures are going to find problems," he said.

Bandulal was not painting a confrontational picture. In fact there were a number of options open to established enterprises, he said.

The first, an aggressive competitor, the second, had a major shortcoming. Big business flexing its muscles, going out and waging a price war brought with it the risk of black empowerment groups drawing political issues into economic issues.

"Anti-trust lobbying is something the major corporates will have to watch.

Black business groups can look at businesses which they can acquire now and gain in-roads into strategic markets by filing anti-trust representations to the Department of Trade and Industry."

An alternative strategy is for white business to maintain as much market share as possible without being politically embarrassed, while developing businesses throughout the rest of Africa and globally.

Still another approach would be recently announced by M-Net, or joint ventures between established corporates and emerging black business, he said.

"The masses have really not benefited from big business in terms of pension funds, housing allowances or developing professional business or social networks.

"As far as they are concerned, big business is there to make money for itself and not to share it among the workers. That philosophy has to change. I think big business recognises this and is willing to make sacrifices," said Bandulal.

For the next two to three years, black empowerment will be characterised by substantial asset growth as black business looks to taking up sizeable stakes in, among others, the entertainment, gambling, food and financial services sectors, he said.

Privatisation would be another main driver of black empowerment as the government seemed to have moved away from the old ANC dogma of wanting to maintain control over substantial state assets.

"This will impact further impacts into the process of black empowerment. I believe black economic empowerment groups will be in the forefront of looking at taking up

major blocks of equity.

"Obviously some, such as Transnet, are simply too large, so this would entail looking at joint ventures," said Bandulal.

This would mean concessions from both sides.

"I think black business recognises the fact that it doesn't yet have sufficient history and experience to be able to manage large corporate concerns. It does not have sufficient financial expertise to build up companies of such magnitude and has been turning to established business to guide it.

"The black management structure in this country is still very thin. Although there are many talented black managers, they are spread among the major corporates. This means it is virtually impossible to draw on this expertise," he said.

One had to accept that established management did play a significant role, albeit on the basis of black people acting as understudies until they were in positions to run organisations.

The next issue was who facilitated these deals. "We now have a totally new trend where wealth creation and transfer is taking place from established, so called advantaged, groups to unestablished, so-called disadvantaged groups.

"This effectively creates a whole new growth industry as far as financial services go," he said.

Bandulal pointed to the already evident involvement of the merchant banks which were playing a key role in sourcing capital and providing structural bases for various ventures.

At the same time, a lot of white corporate and merchant banks were benefiting from stakes held via nominee companies.

But where did this leave the shareholder who should ideally be the previously disadvantaged man in the street, in Bandulal's scenario?

From a purely technical point of view, listed black groups would be ideal for the investor looking to acquire an interest in companies likely to deliver huge asset growth.

However, Bandulal cautioned that there would come a time when these black corporates would have to consolidate to produce earnings which would match those of established listed companies.

"One must keep in mind that black economic empowerment is still very much in its infancy. The mechanics for transferring, developing and building assets on a corporate scale and then transferring these from the entrepreneurs, who have gone out and brought them to the table, to the individual black shareholder is going to take time.

"There are still really no formal structures. Expect perhaps the unions, stockexch and church groups, to harness black funds."

On the surface the listings of Real Africa and New Africa only brought to account about 30 000 individual black shareholders, said Bandulal.

"But if you look at the shareholding structures, you see that it goes beyond that. Among the shareholders, you have the National Clothing and Textile Workers' Union which represents 350 000 workers, you have various black individuals in trusts, you also have other unions.

"With Real Africa, there are church groups including the Zionist Church which represents a significant knock-on effect as far as its membership goes, the National Stockvel Association with 150 000 members, then trade unions including Cosatu," he said.

Bandulal also highlighted the emergence of chambers of commerce such as the National African Federated Chambers of Commerce and Industry and the Foundation for African Business and Consumer Services.

"Traditionally, these never took shareholdings in businesses. But these have often been the only structures to harness black savings and black capital and they have been used to good measure."

Bandulal said these emerging structures or groups had three things in common which made them perfect providers of capital — cash flows, organised membership and, more importantly, political acceptability as representatives of a substantial number of black investors.

In Bandulal's opinion an even more influential player presently emerging was the union movement.

"Over the years, we have seen the pension and provident fund

contributions of black workers used to improve white business interests through investment in traditionally white areas such as property, shopping malls, office blocks and equity.

"Essentially, white business has been listed business. That is starting to change and we are seeing the union-controlled pension funds mobilising funds towards the black economic empowerment process. We could probably theorise that other pension and provident funds may take cues from them."

According to Bandulal, established pension funds, via the SARBANS and Old Mutuals, may be pressured into diversifying away from existing geographical areas of investment as well as the existing policy of just looking at the normal run of the mill equity investments.

"They are probably going to have to involve themselves more in social investments.

"Although this has been debated for some time, policy yet to come out on this," he said.

"Something very interesting and perhaps controversial is that black economic empowerment has been characterised by social, labour and environmental caution.

"Labour and social issues such as the company's contribution towards communities and further black economic empowerment subcontracting and so forth is very much at the top of the agenda."

Was there a possibility of finally seeing a humane face to big business in South Africa?

"It is my belief that if those pressures continue to manifest themselves, there is a real chance that we have the opportunity of creating large conglomerates which will have humane faces, community bases and interfaces," said Bandulal.

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"Although this has been debated for some time, policy yet to come out on this," he said.

"Something very interesting and perhaps controversial is that black economic empowerment has been characterised by social, labour and environmental caution.

"Labour and social issues such as the company's contribution towards communities and further black economic empowerment subcontracting and so forth is very much at the top of the agenda."

Was there a possibility of finally seeing a humane face to big business in South Africa?

"It is my belief that if those pressures continue to manifest themselves, there is a real chance that we have the opportunity of creating large conglomerates which will have humane faces, community bases and interfaces," said Bandulal.

On the surface the listings of Real Africa and New Africa only brought to account about 30 000 individual black shareholders, said Bandulal.

"But if you look at the shareholding structures, you see that it goes beyond that. Among the shareholders, you have the National Clothing and Textile Workers' Union which represents 350 000 workers, you have various black individuals in trusts, you also have other unions.

"With Real Africa, there are church groups including the Zionist Church which represents a significant knock-on effect as far as its membership goes, the National Stockvel Association with 150 000 members, then trade unions including Cosatu," he said.

Bandulal also highlighted the emergence of chambers of commerce such as the National African Federated Chambers of Commerce and Industry and the Foundation for African Business and Consumer Services.

"Traditionally, these never took shareholdings in businesses. But these have often been the only structures to harness black savings and black capital and they have been used to good measure."

Bandulal said these emerging structures or groups had three things in common which made them perfect providers of capital — cash flows, organised membership and, more importantly, political acceptability as representatives of a substantial number of black investors.

In Bandulal's opinion an even more influential player presently emerging was the union movement.

"Over the years, we have seen the pension and provident fund

contributions of black workers used to improve white business interests through investment in traditionally white areas such as property, shopping malls, office blocks and equity.

"Essentially, white business has been listed business. That is starting to change and we are seeing the union-controlled pension funds mobilising funds towards the black economic empowerment process. We could probably theorise that other pension and provident funds may take cues from them."

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EMPOWERMENT GURU Mohli Bandulal expects big business will become more innovative and display entrepreneurial flair to survive in the drive for black empowerment

(176) CT (BR) 24/9/95

STW 25/7/95

NP voices concern at crime and labour laws

■ BY JOVIAL RANTAO (176)
POLITICAL REPORTER

The National Party's Free State congress, which ended at the weekend, has expressed concern at the high crime rate and the manner in which affirmative action is at present being applied in South Africa's labour field.

A resolution adopted by the congress, opened on Friday by NP leader and Deputy President F W de Klerk, said that unqualified people were being appointed to top posts and expertise was being wasted.

"This holds an inherent

threat to the economy, and it is deterring prospective investors."

The new labour legislation encouraged the recurrence of strikes, which were paralysing the economy.

The party also expressed general protest against theft, assault and child molestation, and called for heavier punishments.

An education resolution called on school communities to keep a careful guard against the undermining of constitutional stipulations on education, such as personnel matters, language rights and parental participation.

Black agents 'squander goodwill': In spite of "an abundance of goodwill" by leading real estate companies to promote affirmative action, the response from black agents to join the industry in the former white areas has been "woefully weak", says Bryan Biehler, the joint managing director of De Huizemark. He has received numerous applications, but generally candidates have been unwilling to work for commission only and unable to survive financially until commissions flow in.

(176) CT(BR) 26/9/95

'R200m a year needed for building industry training'

~~(176)~~ ~~(176)~~ CT(BR) 26/7/95

An estimated R200 million a year — against the R25 million presently being spent — would have to be invested in training by the building industry to meet the country's need for housing, job creation and adult basic education, according to Ian Robinson, the executive director of the Building Industries Federation of South Africa.

Robinson said foreign aid was not required to fund more training centres and courses, but to provide more instructors and to make existing training more accessible.

"This is the message our organisation has taken to several international conferences as part of our drive to secure foreign aid for a training campaign which will benefit stakeholders in the construction industry."

He said that although many donor organisations and foreign governments were keen to help South Africa achieve the objectives of the reconstruction and development programme, they were uninformed about the areas in which their resources could be used.

He said a variety of excellent programmes, geared to local conditions and tailored to meet specific needs of the industry for semi-skilled, skilled and managerial trainees, already existed.

The limiting factor, however, was the lack of sufficient funding to put the required numbers of people through the courses.

He said the federation, with the Kagiso Trust, had secured more than R3 million of European Union funding for the training component of the Johannesburg Housing Association's multimillion rental accommodation scheme. — Staff Writer

Radebe's scheme will favour blacks

Theo Rawana

SUN CITY — The Public Works Department would table a memorandum for the Cabinet next month for an interim tender format that favoured black contractors, minister Jeff Radebe said yesterday.

Radebe told a Nafcoc conference that the proposals also involved the appointment of black consultants ahead of whites.

He said the participation of black entrepreneurs should not be confined to simply the small emerging sector, but that in the medium term blacks should be fully active at all levels within the construction sector — including being stakeholders within large construction companies.

"I am happy to report that during the middle of August a memorandum will be tabled for Cabinet approval, incorporating interim strategies proposed for immediate adoption and implementation by the central government tender board," he said.

Radebe said although these strategies would have an effect upon all entrepreneurial activity, he was focusing on some of the changes that could occur within the construction industry. The changes involved the identification of reserve tenders or set-aside schemes. These schemes would target previously marginalised contractor sectors.

They would involve also preference formulas for particular types of construction work being developed to

ensure that work was appropriately targeted on entrepreneurs from previously marginalised sectors.

"We have committed ourselves to the principle that both the schemes would be underpinned by a sunset clause, namely that it will have a particular life span.

"In cases where these preference schemes and certified schemes have been put in place in perpetuity, complacency has set in and there was no further incentive for growth and competitiveness," Radebe said.

There would be a simplification of tender documents and tender procedures, without necessarily compromising the quality of product to be delivered. "For particular contracts, depending on the size and complexity, financial and performance guarantee requirements shall be waved, and this risk shall be underwritten by the state," Radebe said.

Large contracts would be broken up into small contracts to ensure easier access to black emerging contractors. "It must be stressed that such initiatives must be accompanied by training and support systems if we are to ensure that growth takes place within a sustainable format."

Radebe said the formulation and implementation of these interim strategies were the first step in the overall transformation of the procurement process in SA, "and we anticipate legislation in this regard being tabled in Parliament before the middle of next year."

US consultant 'sorry' about affirmative action mix-up

ARL 26/7/95 (176)

ROGER FRIEDMAN
Staff Reporter

UNITED States management consultant Roni Burgs has apologised to the South African government for media reports saying she had been appointed as a consultant to the government on affirmative action.

Dr Burgs, whose Hong Kong-registered consultancy World Class Protocol Inc recently opened a Cape Town office, said yesterday she had never been appointed to any position by the South African government.

A press statement put out on Dr Burgs's behalf by Old Mutual 10 days ago stated: "She has been appointed by the office of the Chief Whip in government, Arnold Stofile, as affirmative action consultant, and conducts a host of other training and motivational programmes."

But according to the ANC Chief Whip's office, Dr Burgs had "offered to do voluntary consultancy work for our MPs in respect of empowering them for participation in parliament".

"The offer was discussed at the ANC whips' meeting. We agreed to delay consideration of the offer. As such, we can state categorically that no contract of whatever nature exists between Dr Burgs and our office. We further would totally disagree with her understanding of affirmative action."

Old Mutual said it was investigating how false information was given to the press by its media department.

Dr Burgs has denied telling Old Mu-



Roni Burgs.

tual that she was appointed to consult the government, but said in a statement yesterday she did not hold the company responsible for the error.

"To the ANC, it has been brought to my attention the major embarrassment this has caused you. I am very sorry for this misunderstanding.

"To you, Chief Whip Arnold Stofile, you have been very kind to me. Words cannot express how grieved I am that this has caused you some discomfort. I am very sorry ..." said Dr Burgs.

● Dr Burgs, author of several books, conducts research and provides training on "fear" to the corporate sector, runs seminars on affirmative action, and consults on diplomatic relations, corporate positioning, crisis management and fear management.

Affirmative action study well received

20 27 195 (176)
THE Black Management Forum's affirmative action study, launched recently in conjunction with Ernst & Young, has received wide acceptance from several sectors of SA industry.

Ernst & Young management services division project manager Mary Ann Dove said yesterday the study's primary aim was to establish affirmative action practices, while identifying which had been the most successful to date.

"The study will look at what affirmative action programmes are in place in companies, whether they are working and whether they could be useful for other companies."

About 80 major companies had already committed themselves to participating in the survey.

"We are pleased with the response but we still have resources to incorporate more companies."

The study would also bridge the gap between academic research into affirmative action and the best practices necessary for success.

The participating companies would have the benefit of receiving exclusive access to the report, which would be completed by mid-November.

Dove said the forum would also present some of the main findings at its conference on November 24-25 in Johannesburg.

An interesting observation was that the sectors which responded most enthusiastically were service-orientated, hinting that customer service and affirmative action could be intrinsically linked.

Dove said the plan was to conduct the survey annually. The research was gleaned from questionnaires and face-to-face interviews with senior management.

Council has 'too many coloureds'

MUNICIPAL REPORTER

COLOURED employees were over-represented on the Cape Town City Council, director of affirmative action Mr Gavin Pieterse disclosed yesterday.

He was delivering an address on affirmative action to a gathering of about 800 town clerks, most of whom are white and male.

Several speakers from the floor said during question time it was "pathetic" that there was "not one face other than white on the executive of this body".

There was a call from the floor for chief executives to take early retirement to make room for others "more representative of the total complexion of our society".

A black delegate won a strong round of applause when he said the criticism was unnecessary, as "attention is already being given to the matter".

Mr Pieterse said affirmative action was still uncharted territory for municipalities and urged the town clerks to "use what works".

His office had found that 73% of Cape Town City Council employees were coloured, 23% white, and 3% African, he said.

The whites tended to be at the top, the coloured people below them, and the Africans at the bottom, "like Irish coffee".

Each department had to negotiate affirmative action targets with its branches, he said, because "you can't put a generic process in place". It was harder for highly technical sections to reach such targets.

Changing

The new president of the Institute of Town Clerks, Mr Keith Nicol of Cape Town, told delegates that the composition of the institute's executive committee was being discussed.

A proposed change in the constitution "makes provision for co-option" on to the executive. Although the institute "does not reflect the population of the country", its complexion was changing.

Empowerment the key

By JEFFERSON LENGANE

(176)

CP 30/7/95

THE transformation of the South African economy to bring about black economic empowerment should occupy centre stage immediately, Nafcoc president Joe Hlongwane said this week at the organisation's 31st annual conference, held at Sun City.

"For the past year, the executive has been meeting regularly with government officials in order to communicate the views of black business," Hlongwane said.

He said Nafcoc's relationship with the Government of National Unity had been positive although there were areas of differences. One of these was indemnity for black businesses owing tax before last year's elections.

The conference formed a task group to unite all stakeholders in black business under one umbrella and identify

other stakeholders and issues to be dealt with.

Referring to Nafcoc's role in Nedlac and in the anti-apartheid struggle Hlongwane said: "In a similar situation to the ANC when they took their rightful place at the table of the multi-party negotiations, Nafcoc must assume its hard-earned place at Nedlac. What is Nedlac but a Codesa for the economy of South Africa?"

"Business and labour are components of the same economy and must find ways to co-operate."

The call was welcomed by Cosatu president John Gomomo, who also addressed the conference.

He said: "Cosatu supports such initiatives to empower all sections of our community to start business. The main provision for this is that labour standards and the basic rights of workers must not be undermined."

Govt posts

(176) ~~250~~ sawetan 2/8/95
go begging

By Mzimasi Ngudle

ONLY a fraction of the 11 000 affirmative action posts advertised in the public service last year have been filled to date.

Minister of Public Service and Administration Dr Zola Skweyiya said only 1 721 of the 11 000 posts, which were advertised to promote the representativity of the public service, had been filled as at May 31 this year.

Due to rationalisation 1 241 posts were in the process of being re-allocated to other departments and provincial administrations, while 1 001 advertised posts had been abolished.

By yesterday 26 ministries and provincial administrations had completed organisational restructuring while 13 were still outstanding.

In fact, the slow pace of restructuring in the public service has resulted in the deadline for the staffing of Government departments be shifted further back, Skweyiya said.

He appealed to department heads and

administrators to promote efficiency to enable a speedy transition to a new dispensation.

Skweyiya conceded the Government was under pressure to speed up the process. This would remove uncertainty around the implementation of an agreement in the Public Service Bargaining Chamber to conclude the rationalisation of the public service by April 30 this year.

"Due to the magnitude and complicated nature of the process, it became evident that departments and administrations will not be able to finalise the process timeously.

"The finalisation date was therefore extended to October 31 1995 and the Constitution was amended to extend the lifespan of the Special (appeal) Tribunal to April 27 1996," Skweyiya said.

End of May figures show that Gauteng, KwaZulu-Natal and Free State had the highest number of vacancies still to be filled.

Council to study new hiring policy

(176)

PETER DENNEHY

CT 4/8/95

AFFIRMATIVE action in private sector firms which have dealings with the Cape Metropolitan Council (CMC) should be promoted through lobbying, planning committee co-chairman Mr Louwtjie Rothman said yesterday.

However, he warned, "we must be careful not to push on to the private sector any political ideas".

He was speaking on the need for a revised policy on the appointment of consultants for the CMC.

Officials reported that there had not yet been much opportunity to implement affirmative action, as few new consultants had been appointed recently and there were a limited number of planning firms with black staff.

Questionnaire

They recommended that the council draw up a questionnaire asking consultant firms to submit information to "assist in making appointments in terms of an affirmative action policy".

An appropriate policy statement should be formulated based on the results of the questionnaire.

Meanwhile, the existing policy of appointing consultants should be kept. The current criteria include a clause favouring firms which employ black staff or "have associations with black professionals".

Course for office skills

(176) CT(BR) 4/8/95

Underperforming affirmative action staff are being offered a course to equip them with skills to cope in their new jobs.

The course, which was developed by the Academy of Commercial Careers, was being offered as a bridging programme to allow employees to develop the office skills necessary to their jobs.

Mike Southwood, co-ordinator of the academy, said complaints about the low levels of productivity spurred the academy to develop the course. — Staff Writer

Affirmative action uproar at Caltex

□ Management hits out at breakaway group

COLIN DOUGLAS
Staff Reporter

A ROW over affirmative action has erupted at Caltex Oil with the majority of black staff in its Cape Town head office forming a breakaway organisation to press the firm to accelerate black advancement.

Caltex management has hit out at the group — the Black Employees' Forum — accusing it of racism and defending the company's affirmative action policies.

At the centre of the dispute is a committee, in the process of being elected by all Caltex employees, which will advise management on affirmative action.

The forum has opposed the election procedure, saying it is unfair to black employees who still form only a small minority in most sections of the company.

"Because of numbers, black people didn't feel comfortable with the process — it effectively excludes most blacks," said a member of the forum, who did not want to be named.

The forum has demanded that two of its members be appointed to the affirmative action committee — a demand rejected outright by the company's management.

Human resources director Iyan Bonorchis lashed out at the forum, saying: "They stand for everything we won't tolerate."

Although Caltex supported the right to freedom of association, the company could not accept racially-based employee groups, he said.

Managing director Mike Rademeyer, in a memorandum to the forum, said: "We would like to make it perfectly clear that management cannot tolerate any attempts from staff to undermine this transparent and

democratic process (the election of the committee) to suit their own narrow interests."

A copy of the memorandum was given to The Argus by a member of the forum.

"Those who cannot accept company policies and believe their future prospects look brighter outside the company are free to leave," wrote Mr Rademeyer.

"We are satisfied that our company's affirmative action policy and procedures are comparable with, or even better than, those of our competitors."

Mr Rademeyer's memorandum referred to "acts of intimidation which prevent management or staff communicating with one another and doing their work".

Mr Bonorchis said the company would not comment publicly on these charges.

Forum members denied intimidating anyone.

(176)
ART 4/8/95

Affirmative action's shifting goal posts

CT 7/18/95 (196)

PROPOSERS of affirmative action are urging local government bodies to use their muscle to insist on its implementation in private sector firms, which tender for engineering contracts from councils, or hope to be appointed as consultants by them.

Suggestions were made last week that companies that do not meet the new requirements should not be granted contracts.

But what are the requirements? They seem to shift, depending on who one speaks to. One fairly widespread view is that the staff complement of each company or local authority should "reflect" the racial and gender demography of the city or the region.

But where those boundaries are inconvenient, they are shifted. For example, nearly three out of four people employed by the Cape Town City Council are people who used to be classified as coloured.

Yet instead of following the

logical consequence of discriminating against coloured males in employment policy in the council as a whole to get the "demographic reflection" right, we are told to look at which levels within an organisation are occupied by those who used to be classified as coloured, white and black.

This then implies that a white person must be favoured

over an equally competent black or coloured person if they are all competing for a labourer's post, because whites are "under-represented" there. Black people are also "under-represented" in labourers' posts on the council.

So affirmative action is not marvellous for coloured males who are labourers, but it certainly

benefits the middle and upper classes. It is surprising that the communists are so keen on it.

Of course, there is a way for the proponents of affirmative action to stay out of trouble with the coloured working class. Some of

them say affirmative action applies just as much to coloured people as to black

people — which is a departure from reflecting demography along the lines of apartheid's racial divisions. It seems there is a new set of "post-apartheid" revised racial divisions.

How can apartheid's racial inequalities be overcome by a race-based system of restitution which does not take account of the fact

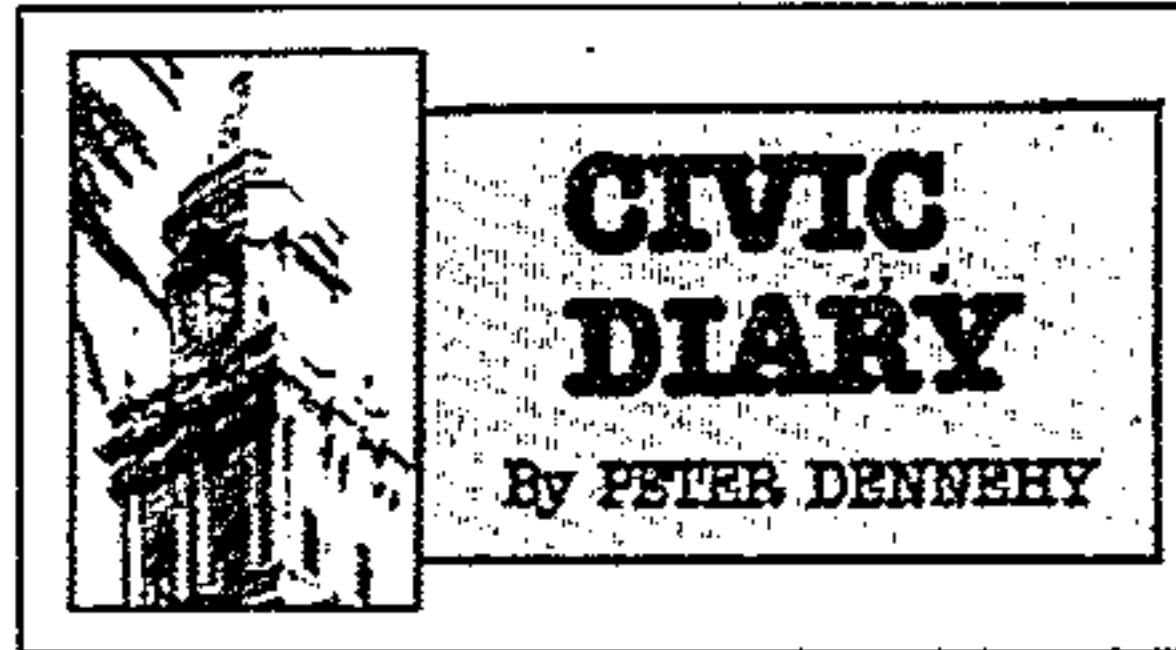
that apartheid gave black people an even worse deal than coloured people? It seems a bit arbitrary for those who insist on basing restitution for past evils on racial grounds, to abolish some of apartheid's racial distinctions while retaining others.

Uncharted

This is uncharted territory, says Cape Town council's affirmative action director Mr Gavin Pieterse. "Use what works." I guess that means shift either way, change parameters at will.

The goal appears to be to reflect the racial demography of society faithfully in the composition of each arbitrarily-defined section of the work force, but not to reflect the present race-and-class structure of society at all.

Instead, the goal is to try to work against the latter, if not invert it.



Council seeks right jobs policy

STAFF REPORTER

ET 8/8/95

THE Cape Town City Council, in appointing a member of staff, would take into consideration which group was least represented among its employees.

This was said yesterday by Ms Shanaaz Majiet-Chalklen, a council affirmative action officer, who addressed a press conference to promote the Gender Week Programme that lasts until Friday.

She said women occupied only 15% of council posts, while 51%

was the desirable figure. Of the 98 councillors' seats, 24 were occupied by women. Of the council's eight influential committees, three were co-chaired by women.

'Mistakes'

Deputy Mayor Mrs Theresa Solomon said there was no blueprint for affirmative action.

"You are going to have mistakes. It is only through action that we will discover whether this is the right way we are going," she said.

Today is an "open day", with a programme on how the council's services reach women, from noon to 2pm in the lecture theatre off the second-floor concourse.

● A row about affirmative action has erupted at the local offices of Caltex Oil SA.

The Black Employees' Forum, formed last month, said yesterday that although Caltex had adopted an affirmative action policy four years ago, fewer than 30% of its employees today were coloured or African.

R6,7bn for job creation since 1978

Nicola Jenvey

(176)
10/8/95

DURBAN — THE KwaZulu Finance and Investment Corporation (KFC) has invested R6,7bn either by itself or in conjunction with the private sector into job creation since 1978, executive director Marius Spies said in the annual report.

Cumulative investment by the KFC stood at R1,7bn, which was coupled with another R1,6bn invested by the private sector in KFC projects and R3,3bn through joint ventures.

The direct result of these investments had been 112 000 new jobs created and 9 700 enterprises estab-

lished. The organisation had trained 61 000 people with new skills and advanced 19 822 housing loans.

"The KFC's development objectives involve stimulating, promoting and sustaining entrepreneurs throughout the province, contributing towards income and wealth generation to the targeted population and providing accommodation to the region," Spies said.

This meant establishing new businesses, encouraging the growth of existing ones and creating both full-time and temporary employment opportunities which would generate income for rural communities.

Blacks must be trained for the top

CT#14/8/95

(176) (109)

AUDREY D'ANGELO

SOUTH AFRICA needs more skilled and competent people at high levels and funds must be provided to increase the number of professionally qualified blacks as soon as possible, says Mr Wiseman Nkuhlu, head of the Development Bank of Southern Africa.

This was among the requirements if the RDP was to succeed, he told a meeting of the Seeff-Cape Times Executive Breakfast Club at the Cape Sun on Friday.

Others included direct investment by business in providing such services as electricity and water.

The economy had to grow to reduce unemployment

and the deficit before borrowing had to be reduced to less than 2% to encourage foreign investment.

The RDP was still a broad framework with no delivery taking place, but there were encouraging developments that would enable services to be provided with private sector funds.

Prospective investors were discouraged by the deficit and this had serious implications for South Africa, where little development was being funded from the Budget.

Mr Nkuhlu said it was not enough to promote the present numbers of professionally qualified black people. It was vital that funds be provided for training to increase "high-level person-power".

during the five days it ran at Kyalami last week — 500 more than last year's seven-day festival.

REPORTS: Business Day Reporters, Sapa.

in Exim loans has already been committed to SA agencies.

National electricity supplier Eskom was given \$300m to finance pro-

In an earlier interview, Telkom had shown no interest in accessing the bank's loan finance despite the bank's offer.

Msele submits empowerment proposals

Mungo Soggot

(176) 8015/8/95

MSELE Corporate and Merchant Bank, part of the Thebe group, had handed proposals to government on how to achieve "black empowerment" during the restructuring of parastatals, it announced at the weekend.

Loren Braithwaite, senior manager of Msele's public sector unit, said the bank had assembled its proposals after wide consultations with black business organisations, business leaders and labour unions.

It suggested a four-pronged plan: employee share ownership schemes which favoured black employees; a

unit trust scheme; the promotion of small emerging businesses as an offshoot; and the development of skills. As it was a bank, it would concentrate on the first three, she said.

The public sector unit — previously called the privatisation unit which was set up earlier this year when it seemed that privatisation was imminent — wanted to play an advisory role to government.

She said Msele had assembled its plan ahead of government's approval of the guidelines on restructuring to join the "market place of ideas" currently under way.

The restructuring guidelines — which started life this year as the

privatisation guidelines — were presented to the Cabinet two weeks ago by Public Enterprises Minister Stella Sigcau for approval, but were taken over by the team of senior ministers appointed by President Nelson Mandela to steer crucial economic issues.

Braithwaite said: "The entire SA economy has to be restructured and black empowerment should be one of the main objectives of a public sector restructuring programme."

Some parastatals, such as Telkom, appear to be going ahead with their restructuring plans. Its immediate restructuring programme is set to cost about R60m.

● See Page 6

Questions standing over from Wednesday, 28 June 1995:

Tax rebates

*2. Mr M F CASSIM asked the Minister of Housing:

- (1) Whether mortgage payments by first-time house or apartment owners qualify for tax rebates; if not, why not; if so, what is the nature of the rebates;
- (2) whether any steps have been taken or are to be taken to encourage ownership of dwellings through tax incentive schemes; if not, why not; if so, what are the relevant details?

N852E

The MINISTER OF FINANCE (for the Minister of Housing):

- (1) No, Government provides financial assistance to persons who acquire ownership of homes for the first time by means of its subsidy scheme to households with an income of R3 500 and less per month.

Within the framework of the subsidy scheme, households with an income of R800 and less per month qualify for a subsidy of R15 000, households in the income group R801 to R1 500 for a subsidy of R12 500, households in the income group R1 501 to R2 500 for a subsidy of R9 500 and households in the income group R2 501 to R3 500 for a subsidy of R5 000.

The point of departure of the scheme is to enable beneficiaries to obtain home-ownership for the first time. This occurs by means of a once-off capital grant by the State.

Subsidies may also be credit-linked in so far as the purchaser complies with the requirements of financial institutions. Given the fact that the subsidy, as indicated, is a State grant, there are in these instances, however, no tax rebates on bond repayments.

- (2) No, as is evident from the above, the subsidy is aimed at enabling beneficiaries to obtain ownership of residential property for the first time.

The possible influence of tax on the subsidies which are allocated is, however, thoroughly accounted for during the development of policy. In this regard it is confirmed that the Katz Tax Commission in its first Interim Report proposed that all existing and proposed tax incentives be subjected to certain tests in order to determine whether any justification exists for the incentives. Considering this fact as well as various other aspects which are presently being investigated by the Commission, the Commission has indicated to the Department of Housing that no additional tax incentives for housing purposes can be recommended at this stage.

The DEPUTY SPEAKER: Order! May I request hon members to speak softly. The conversation is much too loud. We should all be giving our attention to the answers provided to questions.

European Union: financial contribution to SA

*3. Mr M van SHAMMAN asked the Minister of Finance:

- (1) Whether the European Union has committed itself to an annual financial contribution to South Africa; if so, (a) What is the amount involved, (b) for how many years will the contribution be made and (c) for what purposes is the contribution to be used;
- (2) whether any conditions were attached to this contribution; if so, what conditions?

N853E

The MINISTER OF FINANCE:

- (1) (a) 125 million ECUs.

(b) one year.

(c) (i) NGOs:

— The Human Rights Programme.

— Support for the Urban Sector Network.

— Support for the Rural Development Services Network.

— Support for the Land and Agriculture Policy Centre.

(ii) Government

HANSARD 16/8/95

— Urban Development.

— Economic co-operation, trade and investment promotion and support for Small, Medium and Micro Enterprises (SMMEs).

— Good Governance and Democratisation.

— Micro Projects Programme.

— Water and Sanitation Programme.

— Other: The EC is proposing the submission of a consultancy programme.

- (2) No tied aid conditions attached. (Grant Aid).

The DEPUTY SPEAKER: Order! Did the hon Minister of Finance indicate the number of years? I think question (b) was for the number of years that this amount will be made available.

The MINISTER OF FINANCE: It is only for one year.

The DEPUTY SPEAKER: Thank you.

State Tender Board: affirmative action criteria

*15. Mr J A JORDAAN asked the Minister of Finance:

Whether the State Tender Board uses any affirmative action criteria in the awarding of tenders for state contracts; if so, (a) what criteria and (b) when were these criteria introduced?

N868E

The MINISTER OF FINANCE: Mr Speaker, I am talking more today than for the entire sitting yesterday afternoon. [Laughter.]

Yes, (a) Some contracts are split and tenders are invited and adjudicated on a regional or even subregional basis. As a result of the fact that these quantities are considerably smaller than a tender invited on a national level, small and upcoming businesses are afforded the opportunity to be considered for state contracts. Furthermore, tender conditions in respect of building tenders in particular stipulate that tenders from tenderers which use labour intensive methods are preferred. Tender conditions also make provision that contractors should utilise

local labour or that subcontractors who utilise local labour may be appointed.

(b) Approximately July 1994.

I may just add that a task team appointed by the Ministries of Finance and of Public Works to investigate the revision of the tendering system, *inter alia*, with regard to affirmative action, regarding the position of small, medium and micro enterprises has been initiated. Input will be invited from all stakeholders, namely the Government, labour, business and civil society.

Public sector's pension and provident funds: investment

*18. Mr K M ANDREW asked the Minister of Finance:

- (1) What percentage of the funds available for investment in the public sector's pension and provident funds is being handled by the private sector;
- (2) whether his Department intends increasing this percentage; if not, why not; if so, (a) how and (b) when?

N871E

The MINISTER OF FINANCE:

- (1) At present, a relatively small portion of the public sector's pension and provident funds are being handled by the private sector. In certain instances over the last four years, the Public Investment Commissioners have purchased low risk fixed-term capital-guaranteed investment contracts from some of the major insurance companies which, other than the direct equity investments mentioned hereafter, represents public sector funds being handled by the private sector. These contracts represent an investment of R3,4 billion, or more or less 4%, of the public sector pension fund money available.

The Public Investment Commissioners are, however, presently considering proposals for the external management of their existing equities portfolio which, at present market values, amounts to approximately R5 billion, or more or less 6% of the public sector pension fund money available for investment.

Oil companies scramble for black ties

Mungo Soggot (176)

OIL companies are scrambling onto the black empowerment bandwagon, with Sasol hinting at its plans days before Caltex is due to announce the formation of a new oil company. **SD 17/8/95**

Sasol announced yesterday it was close to establishing links with a black business group which it could not name. The announcement coincided with a decision by the tripartite liquid fuels task force that the continuation of Sasol's tariff protection be linked to, among others, empowerment of disadvantaged communities.

The synthetic fuel producer said it was negotiating with a specific black business group. "The intention is to include as shareholders of any new oil company, as broad a spectrum as possible of black individuals, organisations or groups. . . . Sasol has been given the assurance that the black business group has consulted widely with black businessmen involved in the petroleum industry."

Sasol said the group's identity could not be disclosed as the deal had not been finalised. It could not confirm speculation that it was a company called Powerlib, run by a consortium of influential businessmen keen to get into the local oil industry.

One industry source said it appeared Sasol was trying to steal the thunder from Caltex SA, which is due to announce the formation of a company called Africoil, whose stakeholders are believed to be Caltex SA, Worldwide African Investment Holdings, Bongani Motor Holdings and Transnet. The company is to start operating next month. A source said it would not be that substantial and would be a "vehicle for black empowerment".

Sasol denied it was trying to steal the limelight. Communications manager Alfonso Niemand said it had decided to issue a statement because it had been talking to

Continued on Page 2

Oil companies (176)

Continued from Page 1

black business groups since the start of the year and had reached a stage where "certain substantial issues" were agreed upon. **SD 17/8/95**

Meanwhile, Nedlac's liquid fuel task force decided yesterday Sasol's tariff protection was justified and accepted the findings of the Arthur Andersen report on tariff protection. It decided protection for Sasol should depend on empowerment of the disadvantaged and development of downstream industries. It said Sasol's tariff protection should be phased out gradually to give Sasol time to adjust and called on government to address this urgently.

The task force included labour, govern-

ment, taxi industry and fuel retailer representatives, but no SA petroleum industry association (Sapia) representatives. Sapia walked out of it last month in protest against the report. A government spokesman said although government accepted the report, it would not necessarily implement its recommended five-year phase out programme for Sasol's tariff protection.

Industry sources said there were signs that government was increasingly keen to make progress on untangling the vested interests and highly regulated nature of the industry, and play a more active role in changing the industry. This would coincide with a revamping of the task force, widely seen as directionless.

Mandela's affirmative pledge to coloureds

ARG 19/8/95

(176)

CLIVE SAWYER

Political Correspondent

PRESIDENT Nelson Mandela has pledged to coloured people that affirmative action is for everyone disadvantaged in the past — not just Africans.

And he has urged coloured people to report employers who misinterpreted the policy by appointing and promoting Africans only.

Mr Mandela used the opening of a watershed conference in Cape Town on coloured politics in the Western Cape to address the concerns of a community in which many members feel marginalised.

His assurances to the community come as the electoral battle for its soul draws nearer, with coloured support certain to be the key to victory in local government elections in the Western Cape.

The conference coincides with a renewed wrestling by academics, politicians and ordinary people with the concept of the apartheid-era classification of "coloured" and its meaning in a new South Africa.

In a stern warning, Mr Mandela said the feeling among coloureds of marginalisation, if left unchecked, could undermine the foundations of South Africa's new nonracial democracy.

Opening his speech, Mr Mandela apologised in advance for the use of the term "coloured".

He was aware there were those who preferred "so-called coloured" while others, including people in the liberation movement, demanded to be known simply as coloured.

Mr Mandela paid tribute to the countless people of colour who had

■ To page 3

Picture: ANDREW INGRAM, Staff Photographer.

□ **SHAKE ON IT:** They're fighting each other in the Constitutional Court over municipal boundaries, but it was all smiles at the Cape Town conference on coloured politics last night when President Mandela shook hands with Western Cape local government minister Peter Marais. Provincial housing minister Gerald Morkel looks on, with national trade and industry minister Trevor Manuel behind him.

Mandela moves to ease fears of coloured people

ARG 19/8/95 (176)

■ From page 1

contributed to the achievement of liberty and democracy.

Turning the ideal of nonracialism into reality would require the undoing of criminal practices of the past, in particular in the fields of employment and education.

Affirmative action was designed to bring the previously disadvantaged to the same level as those who had had advantages.

Mr Mandela said he was aware of fears among some coloured people that the policy would benefit only Africans.

"I repeat categorically that anyone who says affirmative action reserves jobs and opportunities for Africans only is grossly distorting the policy of the government and the African National Congress."

The same applied to the reconstruction and development programme, which was sometimes the subject of the same

false claims, Mr Mandela said.

The absence of democratic local government was hampering the RDP, and the forthcoming elections would play a critical role in addressing this.

Turning to alleged racism among some members of the coloured community, Mr Mandela said a continuing problem of racism also existed among Africans, Indians and whites.

It was aggravated by the continuing division of people in separate racial areas.

"Deracialising South Africa is the new moral and political challenge our young democracy should grapple with."

The government was committed to unqualified observance of the principles of non-racialism and equality.

"We shall be sensitive to the apprehensions that any section might feel."

For coloured people, this meant becoming part of the majority by embracing the new society.

P.T.O. For Picture

Affirmative action 'not a panacea'

AFFIRMATIVE action had to have clear goals and come to a halt within 10-15 years or it would create permanent divisions in society, UCT deputy vice-chancellor Dr Mamphela Ramphele warned at a conference on race and ethnicity in Woodstock at the weekend.

She said quota prescription was self-defeating, but timetables enabled progress to be measured.

She warned against copying US models, where racial categories were "almost set in stone", as this would entrench differences. —

Political Staff (176) CA 21/8/95

Affirmative action 'has yet to benefit women'

CT(BR)22/8/95 (176)

ROSS HERBERT

STAFF WRITER

Black males had benefited significantly from affirmative action programmes in South Africa, but black women had largely been left behind, said Delisiwe Dlodlu, a management consultant and speaker at last night's Tribute magazine forum.

"Affirmative action tends to be there for the black male, not the black female. White corporate South Africa tends to assume that if they are looking for an affirmative action candidate, they are looking for a man."

Dlodlu said there were ample examples of black men benefiting from economic empowerment initiatives, but women on the whole had not seen any pay-off. One reason for this was that they had often been their own worst enemies.

"I have been let down by my own sisters when I thought they would give me their support. Every time I have heard of

someone sleeping their way to the top, I have heard it from a woman."

An additional problem was that black men who had been hired often did not hold real decision-making power, and in some instances were unable to be of assistance to black women.

In other cases, they actively fought against the advancement of black women, she said, referring to her own experience.

Men's preoccupation with status had also been a problem. "What I find difficult to accept is that the BMW is no longer the symbol of success. Every time someone is successful, they take up with white women," she said.

Once men gained success, they tended to spend their money on status symbols. This was reflected in the fact that when a husband and wife ran a business together, the loan repayment rate was 98 percent, but when run by the man alone, this was just 60 to 70 percent, she said.

Separate tables

□ When affirmative action builds walls instead of bridges . . .

In Birmingham, Alabama, resentment festers when bias is used to fight bias. A special report by RICK BRAGG of the New York Times News Service

THE firefighters are colour-blind in the smoke. The black and white faces are hidden behind oxygen masks, and any resentment they carry inside a burning building is melted away by the heat.

"Fire doesn't discriminate," said Lieutenant Sandy Hatton, a 19-year veteran of the Birmingham Fire and Rescue Unit, who is white. Never, he said, would a firefighter hesitate to come to the aid of another because of colour.

"I will not allow myself to entertain a situation where I'd go into a burning building and they wouldn't bring me out," said Lieutenant Carl Cook, 48, who is black. "I can't even fathom anything like that."

But the bond cemented by the danger is brittle and temporary. When a fire is out and the danger is over, when tired firefighters flop down to rest or joke, the old resentments bubble up.

Then, the firefighters often split off into groups by colour.

It is not unusual for there to be a white table and a black table for morning coffee, or for blacks to take breaks outside while whites take them inside.

Birmingham is still short-hand for some of the most violent memories from the civil rights era. But the split in the fire department is not some lingering hatred from the 1960s; it is a by-product of one of the remedies of Jim Crow rule: affirmative action.

In the current nationwide debate, Birmingham is an example of how affirmative action can foster resentments and prejudices that are the reverse of those they were intended to overcome.

In 1981, to atone for the past sins of city leaders who once excluded blacks from the fire department, the city began passing over whites for hiring and promotions in favour of blacks who were, on paper at least, less qualified. And for as long as this rigid quota system has been in place, white firefighters have challenged it in federal court.

Last year, in an opinion that traced the evolution of the law in its application to affirmative action and set a new legal precedent for reverse discrimination, the United States Court of Appeals for the 11th Circuit ruled in favour of the white firefighters. The lower

courts now must figure out how to compensate them. In April the Supreme Court allowed that decision to stand.

Now, the legal battle is over, said Lieutenant Hatton, one of the plaintiffs, "but I'm not sure anything's been won."

Birmingham was successful in promoting blacks at all levels of the fire department. It changed the face of a department, once synonymous with fire hoses and police dogs of the bloody civil rights clashes in the 1960s, into one that more closely resembled the surrounding community.

But it did so in a way that built walls instead of bridges, the appeals court found.

"We've segregated ourselves, informally," said Captain Charles Brush, who heads the white firefighters' union, the Birmingham Firefighters Association. Black firefighters have their own union, the Birmingham Brothers Association.

The affirmative-action programme began when Richard Arrington, Birmingham's first black mayor, signed into law a consent

decree that began an unbending one-to-one hiring and promotion schedule for blacks and whites.

Developed by the city and the United States Justice Department as an answer to a discrimination suit by black firefighters, the programme was heralded at the time as a blow against the racist politics of the past. But it went too far, white firefighters said.

Black candidates, however, complained that one part of the programme, which gave whites seniority points, was still unfair because the whites, as a group, had much more time in the department.

Under the programme, which reserved places for blacks, white firefighters who scored consistently in the top 10 on examinations for promotion to lieutenant were routinely passed over in favour of black candidates who ranked as low as 87.

For example, in 1983, 95 whites and 18 blacks took a lieutenant's examination, and 89 whites and 9 blacks passed. Two whites and three blacks were promoted to lieutenant.

The city picked the whites who ranked first and second then passed over 76 other whites to promote the three highest-scoring black candidates.

"It became purely race, not merit," said Lieutenant Hatton, who was passed over again and again for promotion even though he scored in the 90s on the 100-point test. Meanwhile, blacks who had scored as low as 48 on the same test were promoted. "It killed our enthusiasm," he said.

The appeals court agreed, and ruled that the system violated the 1964 Civil Rights Act and the due-process clause of the Constitution. The court found that the programme used race as "an overbroad remedy" in the 500-member department, which is now about 30 percent black.

"We can imagine nothing less conducive to eliminating the vestiges of past discrimination than a government separating its employees into two categories, black and non-black, and allocating a rigid, inflexible number of promotions to each group, year in and year out," the court wrote.

In 1995, say the black men and women who now serve beside whites in the fire department, it is easy to talk about alternatives to affirmative action. But at the time, black firefighters say, there was only one way to correct the imbalance. That was by hiring and promoting for exactly the same reason blacks had been rejected in the past.

They say that is justice, not preferential treatment.

"If you go back and look at some of our yearbooks, you see all white," said Lieutenant Charles Gordon, 33, who has been in the department for six years. "This is why affirmative action came around. If the fire department was not made to hire blacks, they wouldn't have done it."

He concedes he would still be in the rank-and-file if he was not a black man.

"I imagine being black did help me," Lieutenant Gordon said. "If one time it helped me — being black — then good."

NY Times News Service
1/17/96
ARL 23/8/95

Company backs empowerment

Sowetan 24/8/95 (176)

By Mzimkulu Malunga

KKS subcontracts its services to black firms whenever possible

BORN OUT of an empowerment move nine months ago, the country's leading food and catering company Kagiso Khulani Food Services, says the process of enablement is just beginning.

Directors Mr Zuzi Buthelezi and Mr Nigel Dunlop say they want KKS to break away from the normal practice where unbundling is seen as the beginning and end of empowerment. Other processes that take enablement further are then thrown out of the window.

The KKS, argues Buthelezi, wants its management not only to reflect the population demographics and the shareholding, but its suppliers must also reflect the country's demographics.

The company was born out of a R53 million transaction when the investment arm of Kagiso Trust and another black controlled group, Khulani Holdings, bought 80 percent of Tongaat-Hulett's subsidiary, Supervision Food Services.

In its first months of existence the KKS has deliberately subcontracted some its services to other



Looking beyond unbundling... Zuzi Buthelezi wants to see KKS management reflect demographics.

black companies. Its officials use Khaya Car Hire when they go on business trips in areas where they are unable to use their own cars.

Baltic Travel makes all travel arrangements for KKS employees and the premises are cleaned by SuperCare, which is a new baby in the Kunene Brothers stable.

Company cars also refuel at a filling station owned by a black entrepreneur, while some of the meat cooked in canteens comes from black suppliers.

KKS is also leading the campaign to have the black business voice heard when it comes to tendering.

Together with *Enterprise* magazine the company organised a tendering conference at which Public Works Minister Jeff Radebe was told that black business people wanted a share in the state's subcontracting system.

But, says Dunlop, there is still a long way to go. For instance, at the moment 46 percent of the company's management is black. Ideally, it should over 70 percent.

Another situation that needs to be addressed is to get more blacks on the company's management board. Currently, only one of the eight executive directors is black.

He says the company is taking this factor into consideration when it recruits managers.

Now, what causes Affirmaphobia?

By Archibald Jacobs

(176) sowetan 24/8/95
Victims and advocates of apartheid suffer from a common fear

AFFIRMAPHOBIA IS THE persistent fear caused by the misconception and misunderstanding of Affirmative Action.

This article looks at why it is on the increase, where it exists and possible solutions.

Reasons for Affirmaphobia

A growing paranoia is evident amongst those who, on the one hand, suffered under apartheid and those who, on the other hand, excelled under apartheid.

Allegations of now not being black enough towards the former, and fear of losing their jobs amongst the latter, rank tops amongst the phobias.

Although moderate, expectations amongst the oppressed are definite. The provision of a house, job, education and health care is non-negotiable and the democratic government ought to deliver.

For those who benefited under apartheid, Affirmaphobia is almost inevitable because to them it means losing their jobs, their homes, their education and their health services.

These were all comfortably protected by the Job Reservation Act of the 1950s, and by the support of huge state subsidies and health care rebates.

At the micro-level, the post office and the railway services, as well as state parastatals such as Eskom and Iscor were, under apartheid, almost the exclusive domain of the Afrikaner.

At the macro-level, the oppressive state apparatus secured white dominance in services such as the police and the defence force.

Policy formation, education, culture and religion firmly rested in the hands of the intelligentsia in the form of the "Super-Afrikaners", commonly known as the Broederbond.

Who is affected
Affirmaphobia is prevalent amongst

present-day whites in South Africa. Since April 1994, the Government Pension Fund has already paid out R225 million to top civil servants taking early retirement.

At its Bloemfontein congress in May, the Freedom Front cried out against job discrimination as a result of what I prefer to call Corrective Action (CA).

Affirmaphobia does also exist amongst the so-called coloured and Indian communities in South Africa. Under apartheid they were loyal fighters against a brutal and discriminatory system.

Now that South Africa is free, they are being told that they are not black enough. For many of these people, blackness, Africanness, is under their skin.

The fickle opportunism of the Reverend Alan Hendrickse and Mr Amichand Rajbansi was not shared by those whose destiny lay with their fellow oppressed.

Strange as it may sound, Affirmaphobia exists amongst the disadvantaged because the fact that CA will only benefit the black middle-class stems from the fact that CA provides for nothing more than what has been referred to as co-optive dominance.

The most advantaged of the disadvantaged question their economic and social empowerment because, at the current rate, CA provides for nothing more than what has been referred to as co-optive dominance.

The more you bring about changes, the more you stay the same. CA is then effectively marginalising the very people it seeks to empower.

Possible solutions

Job creation:
For the first time in years, South Africa is showing a positive growth rate in its economy. Investor confidence, improved international relations, our return to the commonwealth of nations and the financial commitment from many a country towards the RDP

should impact positively on the huge unemployment problem in the country.

In line with this, a CA programme in South Africa should not have as its objective the deprivation but the creation of jobs. Empowerment programmes do not necessarily have to adversely affect those who have historically been part of the social, economic and political landscape.

Education:
As with the transition, CA practices came quicker than the South African public realised; unfortunately, this time it is no political miracle. In fact, it is for many a political nightmare.

A gradual and extensive educational programme about CA should have ushered in this newly found phenomenon. Its objective should have been made clear through vigorous campaigns at both national and regional level.

South Africans do not understand fully what the objective is of a CA programme nor do they understand the inconsistencies being practised. The result, then, is Affirmaphobia.

Training:
Qualitative training programmes should be integral to the CA programme. Any CA initiative should have a training and development programme as a prerequisite. This would provide a support structure to those whom it seeks to advance.

Training and development programmes take time, and it will take generations to deracialise employee competence and skills.

With less than two percent of managers being black, the scenario is far from satisfactory.

CA should be a pro-active strategy which, along with the principles of responsibility, flexibility, respect for all and proportionality, should enhance and not undermine the productivity of existing workers.

(The writer is a teacher at Nest Phuthing High School, Fairways.)



Alan Hendrickse ... accused of fickle opportunism.

Black auditors open firm

A TEAM of black chartered accountants launched an auditors firm this week to tap opportunities presented by a changing South Africa.

Led by experienced chartered accountants Raboijane Moses Kgosana, Edson Magondo, Tshidi Mokgabudi and Themba Tshikovhi, the team aims to audit and service the ever increasing needs of the business community.

As spokesperson Mokgabudi says, the launch of the partnership has been necessitated particularly by growth in the black business sector.

She says many companies have been

under the impression that there are no black chartered accountants in the country and the partnership's challenge is to dispel this myth. *176* *24/8/95*

Mokgabudi says her firm will adhere to the highest standards of professionalism and will act as a catalyst in the implementation of RDP objectives.

Mokgabudi, who holds various degrees from local universities, is a trustee of an education foundation, that is addressing adult education nationally.

She has at various times delivered papers on critical issues in the accounting profession.

Skweyiya angry at public service 'collapse' claims

(176) ARG 25/8/95
PRETORIA — Public Service and Administration Minister Zola Skweyiya has responded angrily to claims that the public service is facing collapse.

Reacting to reports that the Auditor-General had made this allegation, he said last night the claim was "unfounded, destructive and uncalled-for".

This was especially so when public servants needed support in the daunting task of building their capacity to deliver the RDP.

Mr Skweyiya said he had learnt "with dismay" of reports quoting the Auditor-General and the director-general of the Finance Department on deficiencies in tax collection, and the two officials placing the blame at the door of the Public Service Commission.

Mr Skweyiya said the Auditor-General's "alarmist" statements did not reflect the state of affairs in the public service, or recognise the extent and progress made in the transformation process.

The Public Service Commission said in a statement it noted the reported claims with "concern".

It said finance department had failed to submit a rationalisation plan, in spite of reminders having been sent, 14 months after being asked to do so. — Sapa.

Kagiso puts black empowerment on top of its menu

By DON ROBERTSON

BLACK economic empowerment can work provided it is handled correctly, says Nigel Dunlop, chief executive of R420-million-a-year Kagiso Khulani Supervision Food Services.

The first step, he says, is to get blacks involved in ownership. This was done with Kagiso 10 months ago, when the Kagiso Trust Investment Company, Khulani Holdings, First Corp Capital Investors and SFS Management bought 80% of Supervision Foods from Tongaat-Hulett for R53-million. Tongaat retains a 20% stake.

The deal created South Africa's largest black-owned catering company, handling 800 000 meals a day and employing more than 4 500 people.

Zuzi Buthelezi, Kagiso's business development director, is emphatic in his belief in affirmative action, saying its needs to be made meaningful.

"So many companies still appoint black people and totally disregard the imbalances of the past. They provide no support, no training. They throw new appointees in the deep end and shrug their shoulders when they fail."

Mr Buthelezi says the purchase by the partner-

ship was a strategic move to ensure growth and profitability in the longer term and make black empowerment a reality.

"I really believe we did it the right way. We went for breaking up ownership. In this day and age, I cannot see how any white company can continue to exist," he says.

Kagiso is part of the new South Africa, but Mr Buthelezi still has difficulty dealing with the "old guard" in many organisations, particularly the government.

Kagiso recently tendered for a catering contract to serve the Gauteng legislature but was unsuccessful. The three-year contract went to a French catering group.

"I find this incredible, that a contract should be given to a foreign company. When we asked why, we were given no proper reasons," he says.

To overcome these problems, Kagiso, together with Enterprise magazine, held a seminar which was attended by Public Works Minister Jeff Radebe.

A committee was formed at the seminar to

review procurement procedures in an effort to simplify and standardise tender documents and make them more accessible to all levels of suppliers. The committee will meet next week and will make a presentation to the Minister soon after.

Kagiso is expanding its affirmative action procedures and uses the facilities of a large number of black-owned companies for supplies, including car rental and travel. It buys vegetables, meat and cleaning services from black-owned businesses.

Training is a priority at Kagiso. About 30 employees have been nominated for training in skills such as merchandising, hospitality skills, nutrition, hygiene and cost control.

About 46% of all control managers are black and six were recently appointed as senior managers.

Eugenie Richardson, Kagiso's human resource director, says affirmative action targets have been set which must be achieved by 2000.

The company has a formal affirmative action programme where employees with high potential have been selected for accelerated development.

Bill to outlaw employer bias

CT (BR) 28/8/95 (176)

BY FRANÇOISE BOTHA

STAFF WRITER

soon to be outlawed in terms of the bill.

Bias and prejudice were natural human conditions but the questions asked when recruiting staff were going to have to change, said Pam Herr of the Affirmative Action Alliance.

This was because of the requirements of the draft Labour Relations Bill, which was expected to become law later this year.

Herr said that discrimination on grounds of race, colour, sex, religion and political opinion, to name only a few, were

This had raised concern among human resources managers who were uncertain about what details were constitutionally correct to ask a job applicant.

One could no longer ask a prospective employee about their preferred title, such as Miss, Mrs or Ms. It would also be wrong to ask any question that sought to define an applicant's ancestry, ethnic origin or lineage, said Herr.

"Don't ask whether applicants are married, single or divorced, what their child care arrangements are, or their ages."

Minister hits back at auditor-general

BY BRUCE CAMERON
POLITICAL EDITOR

A political row has broken out over claims by auditor-general Henri Kluever that the civil service is facing collapse, with counter-claims by Zola Skweyiya, the minister for public service and administration, that Kluever has a political agenda.

The row came as the members of the ANC in the constitutional assembly reached agreement that the auditor-general should be made constitutionally independent of the executive arm of government and should be appointed by parliament.

Kluever told the parliamentary public accounts committee last week that the civil service was like the ill-fated Titanic heading for an iceberg.

He made the claim after complaints to the committee from Trevor van Heerden, the commissioner for Inland Revenue, and Daan Colesky, the commissioner for customs and excise, that billions of rands were evading the tax net because of the use of old computer systems and an inability to employ top staff.

Kluever was accused of having a political agenda by Skweyiya in a television news report on Friday

which was followed up with a six page statement criticising Kluever and the department of finance as well as the departments of Inland Revenue and customs and excise.

In his statement Skweyiya accused the department of finance of not doing enough to solve the staff shortages in Inland Revenue and customs and excise.

Skweyiya said the finance department and its sub-departments of Inland Revenue and customs and excise had failed to place sufficient advertisements to recruit staff, had allowed substantial numbers of staff members to take early retirement and turned down offers from Germany, Sweden and Britain to train staff.

Added to this, the public service commission had repeatedly warned the Department of Inland Revenue that its computer system needed updating and a master plan to improve the computer system had been rejected by the department, which then drew up its own plan.

Skweyiya said the government was giving urgent attention to the slow pace of affirmative action in all three departments and the office of the auditor-general, which were lagging behind other departments.



SAVINGS BOOST Chris Stals, the head of the Reserve Bank

Tax only real interest rate, says Stals

STAFF WRITER

In a bid to boost South Africa's low savings rate, the Governor of the Reserve Bank, Dr Chris Stals, has called for income tax to be imposed only on the real interest rate received by the saver instead of on the nominal rate as at present.

Observers say this would be a major encouragement to savings, especially in fixed interest rate de-



BY JOVIAL RANTAO
POLITICAL REPORTER

Mixed reaction to Govt placing of ads

(176) Star 30/8/95

The resolutions of the government communicators' conference, which include the diversion of millions of rands from the Government advertising budget to companies that have implemented affirmative action, have been received with mixed reaction.

Newspaper houses and political parties said caution should be exercised when dealing with sensitive issues such as affirmative action.

Diversity and competition should also be considered when handling the issue of media ownership.

Independent Newspapers chief executive John Featherstone warned that coercion, in any form, would inhibit the building of self-sufficient media and risk subservient entities "just as under the Nationalists".

Featherstone said any placing of advertisements based on political considerations would be a deplorable continuation of past evils.

"South Africa needs a diverse and competitive media with a wide range of private ownership in outdoor advertising, broadcasts, magazines and newspapers. This will inevitably result in an ownership made up of small entrepreneurs and large groups, local shareholders and overseas ones: an interdependent scaffolding that will produce media that serves the country well and is able to survive the buffeting of the global communications whirlwind," he said.

Affirmative action was not an

issue. All sensible businesses were vigorously training and promoting appropriately, he said.

Times Media Limited M D Roy Paulson found it sad that the press, which had endangered its financial existence in its fight against apartheid, had been transformed from heroes into "bad boys".

He hoped that the Government would "have the good sense to realise that it's not something they should do".

"The Government should learn to manage the press. They should speak more to the press, make them aware of their worries. We're not out to bring down this Government but it will be

criticised," Paulson said.

Mail and Guardian Newspapers MD Mike Martin said the company, which has an "enviable record of training black journalists", welcomed the resolution on the Government advertising budget and affirmative action, but warned that a degree of caution should be exercised.

Most political parties contacted by The Star would not comment. ANC spokesman Saki Mazonzoma said the conference resolutions would be referred to the ANC's national executive committee (NEC) sub-committee on media, which is chaired by NEC members and Telecommunications and Broadcast Minister Dr Pallo Jordan.

The Democratic Party's spokesperson on media, Dene Smuts, warned that the resolutions should not be used to turn Government's frustration into policies that attempted to refashion the media landscape.

Mixed reply to contracts points system

STAFF REPORTER

A ROSTER system envisaged by the Department of Public Works that would reward building firms for affirmative action and channel work to marginalised firms has had a mixed reaction from the Association of South

African Quantity Surveyors (ASAQS).

The pilot dual roster system is to govern the allocation of government contracts worth R300 million a year to the country's 7 000 quantity surveyors, engineers and architects.

The ASAQS said yesterday

that although it supported the system's attempts to redress imbalances, it discriminated against smaller firms, some of which could be forced to close. It said the roster would have to be transparent, benefit the disadvantaged consultant and ensure a fair allocation of work.

~~176~~

(176)

CT30/8/95

State contracts tied to affirmative action

ET(OR) 21/8/95 (176)

By ROSS HERBERT

STAFF WRITER

A points scheme that rewards firms for their affirmative action policies will play a key role in the awarding of contracts under a new system to be launched by the department of public works next month.

The system would govern an estimated R300 million a year in contracts to consulting, engineering and architectural firms.

Jeff Radebe, the minister of public works, said the system was intended as a model that other government departments, provincial governments, parastatals and private-sector firms could follow.

The goal was to expand the capacity of black professional construction firms and reverse their historic exclusion from government contracting.

According to the department, 5 percent of the consulting firms win about 80 percent of the contracts awarded by public works.

"This is the direction South Africa must go. If we don't broaden the economic cake, we are creating an economic time bomb," said Radebe.

The department would create a pilot roster of available engineers, surveyors, architects and other con-

struction-related professionals.

Firms would be awarded points and ranked on the roster based on their track record in such areas as affirmative action hiring, alliances with black firms, programmes for bursaries, in-house training and mentorships for disadvantaged groups.

The old roster of consultants would be maintained, but the "choice" contracts would be doled out according to position on the new roster. Contracts would be awarded to firms on the list on a rotating basis.

To develop disadvantaged firms, the department would also use the roster to pair established and disadvantaged firms to work together on contracts.

Interested firms had until September 22 to return questionnaires to the department describing their skills and programmes.

To guard against sham affirmative action programmes, the department would ask for extensive detail of firms, audit their performances and impose penalties on those bending the rules.

"The department feels it can play a crucial catalytic role in transforming the whole trade. If one just turns up the volume in the construction industry without substan-

tive changes, we will just perpetuate past inequities," said Sivi Gounden, the deputy director-general of public works.

Gounden said the department was heading several initiatives to reform the construction industry.

Within six months public works would establish a contractor support unit to assist small contractors in replying to tenders and finance.

The legislation governing statutory construction-related professional associations and accreditation systems would be reviewed.

A system was under discussion to co-ordinate all government construction spending to assure an even flow of work to the limited number of skilled firms, particularly disadvantaged firms.

To put construction contractors on the same footing as technical consulting firms, the department was promoting the creation of a detailed registry of contractors that tracked performance, affirmative action issues as well as ownership and staff to guard against non-performing firms re-incorporating under a new name.

The departments of public works, trade and industry, education, water, labour and state expenditure would meet tomorrow to decide on the creation of the register.

AUDITOR-GENERAL Mr Henri Kluever has warned a parliamentary select committee that affirmative action policies of the Public Service Commission are bringing the public service to a point of collapse. **BRUCE CAMERON** reports.

THE civil service is heading for collapse because of policies applied by the Public Service Commission, auditor-general Mr Henri Kluever has warned Parliament.

And the director-general of Finance, Mr Estian Calitz, has claimed that government affirmative action policies have resulted in key jobs remaining vacant because no one has applied for them.

The claims were made at a hearing of the parliamentary standing committee on public accounts yesterday, where members of Parliament accused the Public Service Commission of sabotaging government intentions and holding the government to ransom by not acting on the recommendations of parliamentary committees.

Chairman of the committee Mr Ken Andrew said billions of rand was slipping through the fingers of the tax collection departments, with the result that higher taxes were being paid.

Mr Kluever compared the public service to the Titanic, saying it was on course for an iceberg. He was commenting during an examination of the department of Inland Revenue and Customs and Excise.

If the needs of the two departments were met by removing them from the ambit of the public service commission, which sets employment policies, the problem would not solved, he said.

"It would only be shifting two of the high profile chairs on the Titanic.

"It is like sitting on a boat with a gash in its bottom with everyone ordering more cocktails," he added.

The committee also heard

Commissioner for Inland Revenue, Mr Trevor van Heerden, Commission for Customs and Excise, Mr Daan Colesky, and Mr Calitz, all express frustration over their inability to effect changes.

Mr Kluever said the Public Service Commission had no idea of the public service's priorities and was being overhasty in applying affirmative action policy.

The problem was being compounded by early retirements, a total disregard for experienced managers and the formulas applied by the Public Service Commission in the creation of staffing structures.

Mr Kluever said tax assessments were falling further and further behind every year

Mr Colesky said he had been appearing before the committee for the past 11 years and "unless departments get the powers to effect changes, we will be discussing the problem for the next 50 to 100 years".

He said apart from being frustrated at being unable to attract the right people, there was a case of too many Indians and too few chiefs because of the structures imposed by the Public Service Commission.

There had to be too many people on the bottom rung before there could be one supervisor. As a result a department, such as his, which needed a disproportionate number of skilled people was frustrated.

In an interview, Mr Van Heerden revealed he had been hampered from opening a tax office in Sandton because the departments which had to supply him with office space and equipment had dragged their heels.

Members of the committee reacted angrily to the criticism, with at least one member saying it amounted to sabotage of the government.

● See Business Report, Page 15

LIKE THE 'TITANIC HEADING FOR AN ICEBERG'

Civil Service on point of

collapse
CT 24/8/95
(176)

MANPOWER — BLACK MOBILITY

1995

SEPT. — DEC.

Mandela on affirmative action

OUDTSHOORN — Affirmative action applied to all who had been disadvantaged during apartheid years, President Nelson Mandela yesterday told hundreds of people at an ANC local government election rally.

He was speaking for the first time at Oudtshoorn, where the rally for the whole southern Cape and Little Karoo was held.

In a mainly Afrikaans speech, Mandela said "coloureds" should contact the ANC if some employers implemented affirmative action so as to benefit only certain groups.

"I want to make it clear that it is the policy of the ANC and the government of national unity that affirmative action includes all who have been denied opportunities under apartheid. This means 'coloureds', Africans, Indians, women and handicapped people."

Referring to, what he called, "an unfortunate perception" among a sector of the "coloured" community who were afraid and believed they did not have a future, Mandela said he regretted this as people of SA could now for the first time jointly determine their future.

"There is a wonderful positive spirit among the overwhelming majority of South Africans to build a nonracial and democratic South Africa.

"It must never again happen that one South African is discriminated against by another; that one South African oppresses another," he said. (176)

The best way to bury racism once and for all was dedication to the reconstruction and development programme.

In this respect the upcoming local government elections were an opportunity to continue democratisation and develop the country. Democratic local government would be the "hands and feet of the RDP".

Meanwhile senior IFP negotiator Sipo Mzimela pledged Inkatha support for the Kleurling Weerstandsbeweging a coloured separatist movement, at the KWB launch at the weekend. 20 4/9/95

Mzimela, correctional services minister, told the 80 delegates at the launch congress in Wellington that Inkatha stood side by side with the KWB against "the monster of domination of the ANC".

Mzimela's presence at the congress indicates Inkatha is seeking ethnic allies in its battle for Zulu self-determination.

The KWB, led by former ANC guerilla Mervyn Ross, is demanding a coloured homeland, arguing that coloureds are descendants of SA's original inhabitants. — Sapa.

Taxi ranks closed after shootings

POLICE have closed two taxi ranks in central Johannesburg after gunmen on Saturday shot and killed three people and wounded 13 others in two separate attacks at taxi ranks. 250

The King George and Noord/Quartz streets taxi ranks were cordoned off and minibuses searched for weapons on Saturday after Gauteng MEC for Safety and Security Jesse Duarte and police decided to close off the ranks.

Lt-Col Eugene Opperman said yesterday the closure of the ranks was taken in the "interest of public safety" as lives were being lost and property damaged by the conflict between rival taxi groups.

There were heavy police and army patrols at the taxi ranks yesterday as police waited for tempers to cool.

Opperman said the ranks would remain closed until the police were satisfied the feuding taxi groups were making positive

moves towards finding peaceful solutions to problems at the source of the conflict.

The taxi industry and the rival taxi associations had to find the solutions together.

"It is an internal matter that needs to be urgently addressed by those involved in the taxi war," Opperman said.

Duarte said on Saturday after inspecting the scene of shootings near ANC headquarters: "We cannot take any more chances with people's lives." 20 4/9/95

Opperman said on Saturday that two people were killed when gunmen opened fire indiscriminately at about 4:10pm.

The victims were mostly passengers caught by the gunfire as they sat in the minibuses on the corner of King George and Noord Streets.

Police believe it was a revenge attack for the Saturday morning shooting at a nearby taxi rank in which one person was killed. — Sapa.

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January

Mandela admits red tape is holding up RDP

□ President allays affirmative action fears

(176)
AR 4/9/95

OUDTSHOORN. — The African National Congress was honest enough to acknowledge it could have done much more to create a better life for all South Africans, President Mandela has said.

At an ANC local election rally in Oudsthoorn yesterday attended by thousands of supporters from the Little Karoo and the Southern Cape, Mr

Mandela acknowledged that official red tape had slowed down progress in some cases and that communities had not always been involved.

Government structures which had been needed to implement projects were sometimes not ready.

"But the local government elections give us the chance to put these things right. Democratic local government will be the hands and feet of the recon-

struction and development programme."

Speaking mostly in Afrikaans, Mr Mandela reiterated that affirmative action applied to all who had been disadvantaged during apartheid years.

From the Northern, to the Western and Southern Cape, Mr Mandela has focused on perceived fears in sections of the coloured community that they will remain marginalised in the new South Africa.

Yesterday he again urged the coloured community to contact the government and the ANC if some employers implemented affirmative action selectively to benefit only blacks.

But the president also said he regretted that there were sections of the coloured community who were responsible for their own marginalisation.

"It hurts me very much that having acquired freedom for all South Africans — where for the first time Africans, coloureds, Indians and whites can be the masters of their own future — the actions of certain groups in the coloured community are causing their own marginalisation."

While Mr Mandela appeared to refer to those who had thrown in their lot with the National Party, it was also perceived as signalling regret about ongoing conflict within the local ANC, which has divided supporters on racial lines.

The president told 300 guests that even though there were communities who did not vote for the ANC in last year's general election, "our concern is to build and unite the country".

"We want those whites to lead in the campaign to build our country... they have an advantage over us. During the apartheid years they acquired the education, skill and expertise. — Sapa.

CP withdraws from rural council election

THE Conservative Party has withdrawn from the election for rural councils, party leader Ferdi Hartzenberg has announced at the CP's Cape congress at Hartenbos, near Mossel Bay.

"Because the distinction between statutory and non-statutory groups has been scrapped, the CP has decided not to take part in the election for rural councils," he said.

The scrapping of the distinction caused opposition to the election among farming communities. Dr Hartzenberg said it therefore made no sense to test farmers' support at the polls for the CP stand for full political autonomy and an own local authority.

But he said the CP would continue to stand in municipal elections where a distinction between statutory and non-statutory groups existed.

The CP congress rejected the notion of co-operating in the municipal elections with the National Party and Freedom Front.

It said the only way to unite a nation was through full political independence and the CP

was the only party contesting the elections that stuck to this principle.

"I am not prepared to stand with other parties and fight for peanuts. For that I won't lift a finger. For the freedom of our nation I am, however, prepared to offer up everything," Dr Hartzenberg said.

He blamed division among Afrikaners on Freedom Front leader Constand Viljoen.

Referring to a report from the Institute for Democracy in South Africa (Idasa), he said the Freedom Front — contrary to a decision by the Afrikaner Volksfront — took part in the general election last year.

Dr Hartzenberg called on farming communities to become less dependent on labour from ethnic groups other than whites.

Whites were especially hard hit by unemployment because of affirmative action and measures on the agricultural front that "aimed to force farmers off their farms".

Farmers would have to co-operate on a community basis to decrease drastically the use of labourers from other ethnic groups. — Sapa.

Affirmative action for *sowetan 4/9/95* *(176)* 'everyone' - Mandela

AFFIRMATIVE action applied to all who had been disadvantaged during apartheid years, President Nelson Mandela yesterday told hundreds of people at an African National Congress local government election rally in Oudtshoorn in the Karoo.

He was speaking for the first time at Oudtshoorn where the rally for the southern Cape and Little Karoo was held

In a predominantly Afrikaans speech, Mandela said coloureds should contact the ANC if some employers implemented affirmative action selectively to benefit only certain groups.

"I want to make it clear that it is the policy of the ANC and the government of national unity that affirmative action includes all who have been denied opportunities under

apartheid. This means coloureds, Africans, Indians, women and handicapped people."

Referring to what he called "an unfortunate perception among a sector of the 'coloured' community" who were afraid and believed they did not have a future, Mandela said he regretted this as South Africans could now for the first time jointly determine their future.

"There is a wonderful positive spirit among the overwhelming majority of South Africans to build a nonracial and democratic South Africa.

"It must never again happen that one South African is discriminated against another; that one South African oppresses another."

The best way to ensure racism was buried once and for all was ded-

ication to the reconstruction and development programme.

In this respect the local government elections were an opportunity to continue democratisation and develop the country. Democratic local government would be the "hands and feet of the RDP".

While the ANC was the only party capable of delivering on its promise of a better life for all, Mandela also acknowledged red tape had slowed progress. "While we are proud of our achievements, the ANC is honest enough to acknowledge that we could have done more."

He asked people to cooperate with the ANC, their election candidates and to remember the ANC was the leading power in government as the National Party's contribution was limited. - Sapa.

Madiba woos Karoo coloureds

Oudtshoorn - Affirmative action applied to all who had been disadvantaged during the apartheid years, President Nelson Mandela yesterday told hundreds of people at an ANC local government election rally in Oudtshoorn in the Karoo.

He was speaking for the first time at Oudtshoorn, where the rally for the whole southern Cape and Little Karoo was held.

In a predominantly Afrikaans speech prepared for delivery, Mandela said "coloureds" should contact the ANC if some employers implemented affirmative action

selectively to benefit only certain groups.

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Referring to, what he called, "an unfortunate perception among a sector of the 'coloured' community who were afraid and believed they did not have a future, Mandela said he regretted this as South Africans could now

for the first time jointly determine their future.

"There is a wonderful positive spirit among the overwhelming majority of South Africans to build a nonracial and democratic South Africa. "It must never again happen that one South African is discriminated against another; that one South African oppresses another."

The best way to ensure racism was buried once and for all was dedication to the Reconstruction and Development Programme.

The upcoming local government elections were an opportunity to continue democratisation

and develop the country, the 'hands and feet of which would be the RDP'.

The area had promising tourism and agricultural potential if there were democratic and representative local government structures.

While the ANC was the only party capable of delivering on its promise of a better life for all, Mandela also acknowledged that red tape had slowed progress.

He asked people to cooperate with the ANC, their election candidate, and to remember the ANC was the leading power in government. — Sapa.

(176) Star 4/9/95

Wider spread of power called for

□ *Few board jobs 'not black empowerment'*

(176) ARG 7/9/95

Business Editor

BLACK empowerment does not mean the appointment of a few prominent blacks to boards of directors, Trade and Industry Minister Trevor Manuel has warned.

He said at the opening of the black-owned telecommunications company, SourceCom, in Cape Town last night that power in the economy should no longer be determined in boardrooms by merchant banks.

"Foreign investors are tired of being directed to the same individuals when they come seeking partnerships. They are looking for real skills that add value, rather than prominent black names who add no value, but only sit on a board of directors."

The government was set to intervene against the "elephants" in the economy to clear the way for "smaller creatures", Mr Manuel said.

"We are seriously reconsidering the competition laws to remove barriers to smaller companies".

"We will not let small business be trampled on by the elephants."

The government was opening the door to smaller companies by changing the tender procedures, he said.

Mr Manuel said the experience of the Asian tigers showed that state in-

tervention was necessary to encourage small business.

Taiwan was now dominated by small and medium enterprises (SMEs), which accounted for 98 percent of all manufacturing firms. In Singapore, SMEs employed 42 percent of the total workforce.

Mr Manuel said the big conglomerates would have to "let go their stranglehold on the economy."

Big business should not be intimidated by the challenge of competition, but should relish the idea of a fair fight — "no matter how small the upstart may be".

■ The newly created SourceCom group intended to become a leader in the telecommunications industry through strategic alliances with international partners, chairman Crispin Sonn said.

The group was drawing up a joint venture with Israeli telecommunications company ECI for the manufacture, installation and maintenance of ECI products in southern Africa. Negotiations were also taking place with two other companies with a view to joint ventures.

Pleiad Investment Corporation, which had brokered the ECI deal, would also take a stake in SourceCom.

QUESTIONS

Indicates translated version.

For written reply:

SAPS: establishment of community policing

534. Mr M F CASSIM asked the Minister for Safety and Security:

- (1) Whether the South African Police Service has succeeded in establishing community policing throughout the Republic; if not, why not; if so, what is the (a) nature and (b) extent thereof;
- (2) whether he is in a position to make any general assessments in this regard at this stage; if not, why not; if so, what are the relevant details? N1130E

THE MINISTER FOR SAFETY AND SECURITY:

- (1) (a) and (b)
Yes, significant progress has been made in changing the reactive, militaristic law enforcement style of the past to a policing style which is more pro-active, accountable, community service orientated and less militaristic. The implementation of a community policing style and culture throughout the country is one of the objectives of the ongoing transformation process currently under way in the SAPS. To change a policing culture takes time. The implementation and improvement of community policing is therefore an ongoing process.

(2)

Yes, a brief assessment suggests that in most areas where effective Community Policing Forums have been established there has been a marked improvement in police community relations, in the willingness of communities to actively assist and support the police and in the quality of service rendered by the police. In more than a 1 000 of the 1 135 police station areas, Community Policing Forums have been established or are in the process of being established.

Indications are that community policing is having a positive impact on the conduct of police officials. Reports indicate a greater sensitivity on the part of the police towards the needs and concerns of local communities, a greater use of non-violent means of conflict resolution, and increased efforts aimed at reaching out to communities and establishing sound police-community relations.

Numerous problem areas do, however, still exist. Racism is still prevalent amongst some members of the police and reports of police corruption and involvement in taxi conflicts undermines efforts to improve the effectiveness of the police. Not all members of the South African Police Service are positively inclined towards the concept of community policing. In many areas a greater commitment and involvement of communities and leaders in working with the police is required.

INTERPELLATIONS

The sign * indicates a translation. The sign †, used subsequently in the same interpellation, indicates the original language.

Affirmative action/representativity in the public service

1. Ms P G MLAMBO-NGCUKA asked the Minister for the Public Service and Administration:

- (1) Whether he has been informed of media reports on allegations by a certain person, whose name has been furnished to his Department for the purpose of his reply, that the public service is on the verge of collapse because of the implementation of affirmative action; if not, what is the position in this regard; if so, what was his reaction thereto;
- (2) whether any objectives have been set in respect of affirmative action and representativity in the public service; if not, why not; if so, to what extent have these objectives been achieved? N1260E.INT

THE MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION: Mr Speaker, I take it for granted that the hon member is raising this interpellation because of the speech that was made by Mr De Klerk a few days ago. This interpellation addresses a vital and somewhat controversial issue, and I welcome the opportunity to provide some clarity on the subject.

With regard to the first question contained in interpellation 1, I want to state categorically that the allegations that were made by the Deputy President that the entire Public Service is in imminent danger of collapsing are unfounded, destructive and uncalled for. Without giving the newly established Public Service the opportunity to prove itself, critics have rushed to the media to sow seeds of doubt about the new Public Service's ability to work efficiently. This is attributed to the implementation of affirmative action.

They further allege that there is a large-scale exodus of skilled personnel from the service who are being replaced by incompetent new incumbents. In the course of creating these false impressions, they deliberately confuse the process

of rationalising the Public Service with affirmative action.

Let me set the record straight. The rationalisation of the Public Service and affirmative action programmes are two separate objectives that are nevertheless part of the overall restructuring and transformation of the Public Service. As regards rationalisation, extensive policy guidelines for the staffing of the rationalised departments were implemented.

These measures, *inter alia*, made provision for certain categories of officials to voluntarily identify themselves for premature retirement. In this regard the State as employer retains the prerogative to decide which officials may retire in order to prevent the retirement of key personnel. However, an exodus owing to retrenchment or the retirement of key personnel due to the rationalisation of the Public Service has not occurred. Any retirement that has occurred has taken place on a purely voluntary basis, and in fact the position of the officials has in no way been jeopardised.

Affirmative action, on the other hand, is part of the transformation of the Public Service, in line with the constitutional objectives of bringing about a broader, more representative Public Service.

A basic policy framework for promoting representatives in the Public Service has also been implemented. This framework provides for national norms and standards to direct and regulate affirmative action in a well-balanced, coordinated and transparent manner throughout the Public Service. What I consider critical here is the balance that has been kept between extending opportunities to previously disadvantaged groups and maintaining the high standards required in the Public Service. I have absolutely no doubt that the Public Service Commission has taken every precaution to ensure that stringent regulations and selection criteria were applied to the candidates appointed from outside the Public Service.

There is no basis whatsoever for allegations that efficiency has been sacrificed in the interests of promoting representativity in the Public Service. [Time expired.]

Ms P G MLAMBO-NGCUKA: Mr Speaker, I would also like to ask the hon the Minister if it is in fact true that there are no Black, Coloured, Indian or African persons employed in the office of Deputy President De Klerk.

I would also like to find out if it is in fact true that of the 194 appointments that have been made by the Government of National Unity, 102 are White and only 39 are female. I would like to know where this cry from Deputy Minister De Klerk about affirmative action comes from. Is he in fact trying to stop affirmative action from being implemented before it has even started?

*Mr J CHIOLE: Mr Speaker, I would just like to point out that it was not only the Deputy President who indicated that the country would collapse as a result of affirmative action, but also the Auditor-General, Mr Kluever, confirmed that the office of the Receiver of Revenue would collapse if it was not put in order.

At a news conference on 25 August the hon the Minister reacted to Mr Kluever, who already warned against the negative consequences of affirmative action in his annual report in March. It is totally inexcusable and irresponsible of a Minister to act in this manner when one of his top officials in the Public Service warns him. He said, for example, that someone like Mr Kluever should be politically unaffiliated, and if he were to make political attacks, they should be answered. The Minister said that criticism should be based on facts. Mr Kluever's statements are not in the interests of the country. He should know better. Mr Kluever will now have to decide whether he wants to be a public servant or a politician.

Not only politicians are making statements about affirmative action.

I wish to remind the hon the Minister of the facts. Tax money slipping through the tax net is now estimated to be as much as R21 billion per year. That equals the amount budgeted for the RDP for the first four years and is as much as the interest on State debt. That is one of the main reasons the tax on individuals has risen by more than 50% over the past three years.

Furthermore, the number of chartered accountants in the Receiver's office has dropped from 158 in May 1994 to 100 in May 1995. The Receiver also admits that his office cannot cope with the tax returns. It is a fact that if a country's income tax system collapses, the civil service and the country itself eventually also collapse. The collapse of services owing to affirmative action is, however, not limited to the Receiver's office, and this state of affairs is becoming clearer to everyone each day. It has even been confirmed by Prof Geert de Wet.

The PF again calls on the Government to make appointments on merit in order to prevent South Africa from a further slide to Third World standards.

THE MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION: Mr Speaker, in answering the hon Ms Mlambo-Ngcuka's question, I wish to say I am not aware of any appointments made in the Deputy President's office.

As far as Mr Chiole's question is concerned, I wish to respond by asking whether all the problems mentioned by Mr Chiole are really caused by affirmative action. They are not, simply because none of the Blacks, nor any one else in the Auditor General's office, was appointed on the basis of affirmative action. If he is aware of any such cases, he should inform me and this House as soon as possible.

Mr M R SIKAKANE: Mr Speaker, the hon the Minister has not answered our questions. We are talking figures now. I have figures that prove that since we grabbed power... [Interjections]... only 854 people in the higher echelons of the Public Service have left their departments. According to international standards, that is extremely low.

I want to know from the hon the Minister whether he considers that a high percentage. If so, why was the allegation raised anew? Was it a witch-hunt, and if so, what did that witch-hunt aim to achieve?

Ms P G MLAMBO-NGCUKA: Mr Speaker, arising from Mr Chiole's question, he seems not to be aware of the figures we have provided. If the appointment of 102 Whites out of 194 appointments implies that too much affirmative action is taking place, then obviously there is a witch-hunt against Black people, or for that matter, against any disadvantaged people appointed to the Public Service.

Furthermore, tax collection is in any case not the responsibility of the people that have been newly recruited to the Public Service. We are dealing with the legacy of the past, when there were attempts to corrupt that system, as we have seen in the economy of this country. Therefore, these allegations are unfounded, and not supported by statistics.

The last question to the Minister is as follows: I would like to know if amongst the State law advisers who are responsible for preparing legis-

lation for this House, there are any affirmative action appointees who have been responsible for blocking legislation.

THE MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION: Mr Speaker, the number of Blacks—including women and other people who are not part and parcel of the Public Service—is very low. It is round about 40%, and 30% are women. There are 20% women and 48% Blacks who have been appointed to the management echelons of the Public Service.

The number of people who have left the Public Service is rather low. The charges that have been made against the Public Service Commission are mostly very political. The political issue has to do with the fact that the NP finds itself under much pressure. It is losing the support of the Black working class to the other parties, and is trying one way or the other to play on the concerns of the Coloured people. Their main objective is to ensure that they return to power. They cannot return on the basis of what they are doing at the moment.

I find the allegations that they have been making that affirmative action is causing problems within the Public Service very unfair and untrue. The Constitution ensures that there is affirmative action, because of the... [Interjections.] We gave in to ensure that many Whites who were in the Public Service would remain for reasons of stability and continuity. We made sure that one way or the other, people who were not part of the Public Service should be allowed to come in. It is this that the NP is at the present moment trying to block by all means. I think they are definitely unfair, and are not adhering to the conditions and agreements we made during the negotiations on this Constitution.

Debate concluded.

THE DEPUTY SPEAKER: Order! That concludes Interpellation No 1. Interpellation No 2 has been withdrawn. With regard to Interpellation No 3, the hon Minister Asmal will reply on behalf of the Minister of Justice.

2. Mr F J VAN DEVENTER—Home Affairs.† [Withdrawn.]

Former Transkei: Chief Magistrates

2. Mr M A MZIZA asked the Minister of Justice:

- (1) Whether, with reference to recent reports in the media, the former Transkei has more chief Magistrates than the total number of chief magistrates in the rest of the Republic.

- he; if not, what is the position in this regard; if so, what are the relevant details;
- (2) whether he or his Department intends taking any steps with a view to rectifying this imbalance; if not, why not; if so, what steps?

N1262E:JNT

THE MINISTER OF WATER AFFAIRS AND FORESTRY: Mr Speaker, the question is about whether the Transkei has more chief magistrates than the rest of the country put together. The reply is yes! The relevant newspaper reports on which the question is based are based on factual information furnished by my department—that is, Mr Omar's department.

The answer is, immediately prior to 27 April 1994, and everything decent began after that there were 13 posts of chief magistrates that existed in the former Republic, and 11 posts in the former TBVC states. With regard to the Transkei, a number of promotions, including the promotion to the rank of chief magistrate, were brought about in terms of the Transkei procedure manual governing promotion policy.

However, the former Transkei Public Service Commission directed that the officials concerned should serve out the adjustment period in the posts currently occupied by them. This means that a democratic South Africa inherited a situation in which there were 32 persons holding the rank of chief magistrate in that former principality, while in the whole of South Africa there were 13 such posts.

Question 2 asks what, if anything, I plan to do to rectify this imbalance. All the promotions will be regarded as technically proper in terms of the provisions applicable at that time. After all, they were recommended and approved by the public service commission there, and the Minister of Justice of the Transkei.

However, the following aspects cause concern. Firstly, the exorbitant number of promotions; secondly, the fact that it all occurred in early 1994, immediately prior to the repeal of the then Public Service Act; and thirdly, the fact that they appear to have taken place in contravention of the moratorium on promotions imposed by the Transitional Executive Council.

In view of all these matters, they have all been referred to the Browde Commission of Inquiry for consideration in terms of section 236(6) of the

Giving black employees a slice of the pie

BLACK economic empowerment has emerged as one of the primary objectives of the public sector restructuring and privatisation programme.

But how can broader black participation be facilitated, both in terms of ownership and the management of restructured parastatals?

British-based economist Charles Okeahalam, and Loren Braithwaite, who heads Msele Corporate and Merchant Bank's public sector division, outline a programme that, apart from enabling black ownership, promotes small business as well as education and skills development.

Msele is an associate member of the

By SVEN LUNSCHKE

recently formed National Assets Initiative, a consortium of private sector lawyers, accountants and merchant bankers established to advise the government on the restructuring process. Braithwaite, an employee share ownership schemes.

These "provide an opportunity for the government to increase democracy and black empowerment and for black individuals to be represented in the corporate sector". As a first step, the government has to

identify companies which seem to have a need for black participation.

These companies should be restructured and commercialised, which could require some form of privatisation.

"Corporations to be privatised would have some shares placed with strategic investors or floated internationally, with tranches reserved for domestic investors and employees," says Ms Braithwaite.

This effectively means that shares could be priced differentially, and at a discount for potential black shareholders as opposed to corporate or foreign investors.

Facilitating black empowerment also requires that shares are reserved for black investors and employees, by granting them first refusal or giving them guarantees that they can purchase shares outside of the market.

These shares could be held in an investment fund or in a unit trust scheme on behalf of this group.

When it comes to payment for the shares, Ms Braithwaite argues for "more creative financial engineering" rather than direct forms of cash or debt leverage.

The cost structure should evaluate the risks involved in participation by economic agents without traditional

forms of capital", as well as the increased labour productivity that results from employee ownership.

Ms Braithwaite stresses that initial government intervention in the allocation of economic rights may lead to bureaucratic failure and calls for the establishment of an effective legal framework to address the transfer of ownership.

Warning about possible abuse, she also urges the implementation of effective corporate governance, via "transparently elected or appointed directors" and "market-based accounting and financial reporting systems".

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ST (PT) 10/9/95

New system needed for affirmative action

BY FRANÇOISE BOTHA

CT (PR) 11/9/95 (176)

STAFF WRITER

A new learning approach is required if affirmative action policies are to succeed in empowering employees, says Ed Dexter of management consultants FSA-Contact.

"The challenge is to design and implement effective learning systems which support current business trends," he said.

This would include motivating employees to become self-directed, enthusiastic and engaged learners.

Commenting on the tokenism of many companies' affirmative action policies, he said that this should be avoided.

"The employees should be selected with care so that they are set up for success and not failure," he said.

Dexter commented, however, that the conventional training departments of companies were not geared to meet the needs of affirmative action employees.

"Organisations must develop a culture of learning which encourages employees to take responsibility for their own development and ensures that learners achieve the organisation's goals," he said.

Bifsa affirmative action challenge

Robyn Chalmers

WILDERNESS — The construction industry had to move swiftly to implement affirmative action — a responsibility it had sorely neglected, Institute of Personnel Management president Johannes Magwaza said yesterday.

Magwaza delivered a strong message to delegates attending the Building Industries Federation of SA (Bifsa) congress, saying they would face a social revolution if they did not take affirmative action seriously.

He also took Bifsa to task for the lack of black representation at its congress, saying that if this did not change by next year, it would not have lived up to its responsibilities. "The construction industry is one of the few in SA that has the training capacity, the funding ability and the captive audience to implement affirmative action policies which will have an impact in a relatively short space of time.

Magwaza said there were solid reasons why affirmative action had to succeed in SA, including political imperatives whereby black people demanded social restructuring before the next general

election. Should there have been no progress by 1999, SA could be faced with a revolution.

On a business level, companies would not prosper if white businessmen were the only ones to benefit from a company's success. Black people could also assist in opening doors.

Magwaza said business should implement set targets and stick to them. Should they not meet these after a specified period, government could legislate with quotas.

Labour ministry advisor David Lewis put in a strong plea, saying it was important that the construction sector contribute to the presidential commission investigating the development of comprehensive labour market policy.

Lewis, who is commission co-chairman, said that the limited time the commission had meant it would have to get submissions from relevant associations.

"Although we are hoping to get an extension from the Labour Ministry, at present we have until the middle of next year to complete this enormously complex task and I appeal to Bifsa to put in a formal submission as soon as possible," he said.

on a straight swap of a parcel of shares.

But Thys Oosthuizen, the senior legal adviser for Old Mutual, said the fund structure was a far more stable proposition for South African investors.

"The normal asset swap can be

million and that of management, the British fund manager. Sanlam's plans, as yet undetailed, are worth more than R100 million.

Oosthuizen said Old Mutual was also considering normal asset swaps, though he refused to be drawn further.

amendments made by the committee and wanted the Bill passed speedily.

Botha said he did not agree with the DP view of the bill's effects on small business. Mboweni said the opposition from the DP and the NP was not unexpected.

Builders urged to embrace change

By MAGGIE ROWLEY

PROPERTY EDITOR

Unless business embarked on affirmative action and black empowerment, the present government would not be re-elected in 1999, and the country could face a revolution, Johannes Magwaza, president of the Institute of Personnel Management and executive director of the Tongaat Hulett group warned yesterday.

Delivering a hard-hitting address to the Building Industries Federation of South Africa's annual congress, in which he attacked the organisation's lack of implementation of affirmative action, Magwaza

CT(92)12/9/95
said that if the organisation did not start to address its relevance in the new South Africa it would be a "disgrace" to the industry.

He told delegates they had a choice to stay with their present reality, which could become ugly and result in the organisation dying or they could walk the journey of affirmative action. Affirmative action was not just about bettering a few people, but about the unlocking of human potential at all levels.

Bifsa faced serious challenges to meet the requirements of the RDP, which included affirmative action and black economic empowerment.

Magwaza warned that unless business moved to implement affir-

(57) (176)
mative action by setting itself targets and keeping to them, it could face legislation to enforce quotas.

"While quotas can amount to reverse discrimination, business would only have itself to blame."

For affirmative action policies to be successful they needed to be an integral part of business objectives and should be seen as a process not a programme, he said. In addition, the process should be driven by the chief executive downwards with across the board support and commitment to the affirmative action process.

□ See Page 14

Blacks not supporting blacks a costly

Mistake

African Americans are spiking their own affirmative action guns through apathy, writes Phillip Machaba

When viewing the annual conference of the National Association for the Advancement of Coloured People (NAACP) on television one evening, I could not help but think of the annual conferences of the National African Federated Chamber of Commerce (NAfco).

Like NAfco, the NAACP espouses more-or-less similar ideals of economic and social advancement of the African-Americans. Like NAfco, the NAACP is the oldest business and civil rights organisation in the States. Their conference is the highlight of black economic achievement or as others perceive it, lack of it.

Usually, high-profile speakers deliver keynote addresses. This particular NAACP conference was to have been addressed by President Clinton. He could not make it and

First Lady Hillary Clinton substituted.

In her address, she assured the audience the administration will not buckle under pressure to abandon affirmative action just yet. On this they could bank on her husband.

Judging from the various angles the camera lens was able to project on the small screen, the hall was packed to capacity. A veritable ensemble of who's who in black business.

As the First Lady's eloquent speech progressed, the august-looking audience began to reveal a pattern. Every point Hillary Clinton made was interrupted by applause. This came across like grovelling behaviour which bordered on obsequiousness. Sensing the constrain, she began to speak through the approbation anyway.

In discussion with several business people, one soon discovered the

existence of that peculiar phenomenon: That blacks do not support other blacks in business to the same extent they do whites. Nor do they give overwhelming patronage to their own banking institutions. Even black doctors have a problem attracting clients of their own kind.

Nathan Johnson, an architect in Detroit put it this way: "Black folks have made themselves not to count. We have allowed ourselves to be divided against each other."

Attorney Robert Goodman said it like it is in South Africa: "Our problem is that we pay a lot of lip-service about supporting each other. The truth is we don't."

Similar statements have been made on numerous occasions by Sam Molsuanyane of NAfco when campaigning for black business in general and the African Bank in particular.

The flight of black executives and professionals from predominantly black residential areas to white suburbs has created an intellectual and social impoverishment of the inner cities. Spokesperson for the Marshall Height development programme in Washington DC, Allie Gunther, explains how this relocation affects a community.

"Social services begin to deteriorate. The first thing that suffers is education as parents move their children to better schools. Invariably, standards begin to be compromised. Those parents who remain feel inadequate to challenge the schools authorities. In such an atmosphere, the morale of a community begins to sag."

The onslaught on affirmative action started by Republican Governor Pete Wilson of California, in terms of which the University of

California will cease preferential contracts and hiring by 1996, and in student admissions by 1997, sparked a huge controversy. Wilson's contention is that affirmative action has, after about 20 years, served its purpose. The Rev Jesse Jackson mounted a campaign to oppose this move.

In South Africa the debate on affirmative action has just begun. Not a single law has been gazetted to advance the lot of those who, for more than 300 years, have been legally discriminated against. Yet some white folks are already heard making noises that affirmative action would be tantamount to reverse discrimination. This contention is self-seeking and specious to say the least.

■ Phillip Machaba is general secretary of the National Industrial Chamber, the industrial sector of NAfco.

Patrick has no quick cure for affirmative headache

Applying affirmative action principles in the workplace and in schools is a headache the Americans have not yet discovered a remedy for, given the wide range of political viewpoints in the United States.

And it is also not expected by Washington that affirmative action will finally be totally acceptable to all in the foreseeable future.

President Clinton's appointee to oversee the civil rights programme in general, and affirmative action in particular, Deval L. Patrick, is in South Africa this week to take a hard look at how the Government, business and the public are accepting affirmative action. He will be talking about and listening to problems and pitfalls from Cape Town to Pretoria.

"If ever I have a message for South Africa, it is this: In our country, we think of civil rights as a relay race for justice. The baton is passed from one runner to another. It is not an issue that can be solved with the wave of a wand. People must appreciate that affirmative action can only be introduced in association with other interests."

Carrying a bulky "briefing book on South Africa" issued him by the United States Embassy, and containing everything from the weather to what not to do, Patrick has already discovered that school integration - long a sore point in the history of the United States - has become a way of life even in the few short years affirmative action policies have been part of the new South Africa.

He has also learnt how conservatives are resisting change, the way in which major South African commercial interests have introduced affirmative action policies in the workplace, and that the military and police are in the process of integrating.

Patrick, appointed as assistant attorney-general at the US Department of Justice two years ago and charged with special responsibilities in regard to civil rights, is under no illusions about resistance to change.

He has either read about it or seen it in the United States and is determined to restore what the

THE AMERICAN
experience shows
that affirmative action
is taking years to
accomplish and South
Africa should heed the
lessons learnt by the
United States, reports
Norman Chandler of
The Star's Pretoria
Bureau. (176) Star 13/9/95

Americans call the "Great Moral Imperative" of civil rights.

"To understand civil rights, you must understand how it feels," says this 37-year-old African-American from Chicago's famed South Side. "How it feels to be hounded by uncertainty and fear about whether you will be fairly treated. How it feels to be trapped in someone else's stereotype."

Patrick, a member of the board of prestigious Harvard University, is concerned some Americans do not take him seriously: "The task I have in the United States is to enforce the issue vigorously and without fear or favour, and I believe that on the whole I have American public opinion behind me."

Despite everything the United States has learnt about civil rights over the past 30 years, there are still incidents of "straight race or gender unfairness", he says.

For Patrick, as well as for many in South Africa's new dispensation, affirmative action is a tool to be used to develop remedies to bring about equality, particularly in the employment and educational arenas.

Patrick says affirmative action has always been a challenge.

US Supreme Court rulings have what he terms "carved out the contours and limits of it, at least how it is practised by state and federal governments," and that these days, most affirmative actions are in the private sector.

Patrick quotes President Clinton's guidelines, given to him at the time of his appointment to the justice department. These are:



Listening to problems and pitfalls ... American Deval L. Patrick, President Clinton's appointee to oversee the civil rights programme, is currently on a visit to South Africa.

Quality should not be compromised; there should not be a numeric straitjacket; and, petty abuses are to be addressed.

Private organisations should only fill positions and needs they really have, but they must fill them with people who can do the job or task.

"Companies have to take care not to appoint a black person who does not cope because the perception in some quarters is that the race as a whole has failed. I would bet there have occasionally been failures among English and Afrikaans-speakers in this country. It does not mean the race has failed miserably," says Patrick.

He sees many parallels in the efforts made in the United States and South Africa to level the playing fields in education, particularly in regard to efforts by more affluent parents to place children in private schools because of their fears that the standard of education would be lowered through government moves on integration in the classroom.

At the time of school bussing and integration in the US, "there was a rash of private schools for racially separate schooling. What we have to appreciate is that it was believed the quality of education would be affected by racial content of schools."

Employers put affirmative action's drive on double time

(176) ST(BT) 17/9/95

By THABO KOBOKOANE

MORE than 94% of companies have affirmative action programmes in place, a 21% increase on last year, according to the latest FSA-Contact Affirmative Action Monitor, conducted among 60 major corporations.

However, the study also shows that middle and upper management structures are still dominated by "pale males", although the number of black managers has doubled.

The percentage of black senior managers has increased to just over 4% in 1995, and is expected to reach 9% by 1998. The proportion of white senior managers continues to decline and will fall to 87% by 1998, according to FSA.

Harriet Webster, a consultant at FSA-Contact, says companies attribute the slow appointment of blacks to senior and middle management positions to a severe shortage of qualified people.

"In addition the retention of such people ... remains equally challenging, with 46% of respondents having experienced 'poaching' of affirmative action employees."

The number of companies prepared to pay premiums for affirmative action has declined considerably to 17% this year. Last year the survey reported 50% of companies were

prepared to pay up to 50% above market-related salaries to attract qualified black candidates.

A large proportion of companies, 60%, recruit affirmative action staff, although many view the development of their own staff as a core affirmative action policy.

Over 95% reported their programme to be "reasonably successful" against 2% who said it was "totally unsuccessful". Only 12% reported a drop in standards.

Ms Webster says there are "clear indications that the composition of the workforce is changing despite the fact that most affirmative action programmes have been implemented only within the past two years".

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Affirmative action: fury in prisons

(176) ~~176~~
■ BY MONDLI
MAKHANYA
POLITICAL REPORTER

Tensions over the implementation of affirmative action in the Department of Correctional Services are reaching boiling point in prisons all around the country, correctional services portfolio committee chairman Carl Niehaus said yesterday.

"We are seeing rising levels of frustration and unhappiness around the question of affirmative action, and these are now reaching boiling point," he said.

The tension came to the fore in the Northern Cape early this week, resulting in a two-day strike and the occupation of Upington prison by warders. The occupation ended early yesterday after a 12-hour meeting between the Police and Prisons Civil Rights Union and the Northern Cape's correctional services commissioner.

In terms of the agreement ending the Upington strike, warders returned to work yesterday and the provincial Correctional Services commissioner has 21 days to investigate the grievances and report back to Popcru. Also, strikers and union members would not be victimised.

Star 21/9/95

Prisons reach 'boiling point' over affirmative action plans

(253) (176) CT 21/9/95

SPECIAL CORRESPONDENT

JOHANNESBURG: Tensions around the implementation of affirmative action in the Department of Correctional Services are "reaching boiling point" in SA prisons, Correctional Services portfolio committee chairman Mr Carl Niehaus said yesterday.

In the Northern Cape this week, dissatisfied warders held a two-day strike action and occupied Upington Prison. The occupation ended yesterday morning after a 12-hour meeting between the Police and Prisons Civil Rights Union and the Northern Cape's Correctional Services Commissioner, with Mr Niehaus acting as mediator.

In terms of the subsequent agree-

ment, the warders returned to work yesterday, while the Provincial Correctional Services Commissioner has 21 days to investigate the grievances and report back to Popcru through Mr Niehaus. Strikers and union members may not be victimised.

Mr Niehaus said there were disagreements between the unions and the department over the interpretation of an affirmative action agreement reached at the policy-making Linda Human Forum. In terms of the agreement the department has to be representative of the South African population within five years.

There were "serious problems" in the department over this "sensitive" issue, Mr Niehaus said.

Toyota's empowerment programme begins to pay off

STAFF WRITER

Toyota South Africa's initiative in encouraging small enterprises owned by blacks to do business with the company is notching up encouraging results.

While the development of this sort of business is restricted by the company's insistence that standards must not be dropped, the programme, introduced in January last year, has injected almost R1 million into eight black suppliers that help service Toyota's manufacturing plant at Prospecton, near Durban.

George Hunt and Prosper Dlamini of Toyota's Small Business Development, said that the company had enabled a cross-section of support businesses to flourish. The company offers approved suppliers technical assistance and whatever help is feasible, they said.

Black business is now supplying Toyota with overalls, cleaning, items for certain new vehicles such as tonneau covers, Hi-Ace floor boards, battery spacers, bags for warning triangles, steel pallets for

the Hi-Lux and Hino F-Series cabs, and repairing and manufacturing of wooden pallets. The latest initiative involves Umlazi Scale Printers, which has been asked to print tyre pressure labels and two pamphlets for the vehicle owners' handbook.

Some of the companies sub-contracted to Toyota include Expert Engineering, IJ Upholstery and Woodworking, Hugo Steelwork and Machinery, and SV Upholstery.

Plans by the company to develop a group of dedicated suppliers at the Small Business Development Corporation's Jacobs small-factory complex were continuing.

Toyota is also involved in negotiations with a Johannesburg-based company, the outcome of which is still to be determined but which could result in an order for over R200 000.

"We act as a mentor, tutor and, sometimes, a co-supplier of expertise. But we are not investing in any undertaking as we believe that black small business, like any other,

ET(BE) 22/9/95 (176)



INITIATIVE Thambi Mpungose, manageress at SV Upholstery, which supplies Toyota South Africa with tonneau covers

must learn to stand on its own feet," said Hunt.

Toyota has appointed two black companies in Durban to handle a percentage of the company's legal and auditing business as part of its programme to help empower more black professionals.

Sizwe and Company of Field Street in Durban are handling the

auditing business of Tool and Die Manufacturing, a division of Toyota, and has been appointed auditors of the Toyota Provident Fund. Durban attorneys Linda Zama and Company are handling the legal work involved in conjunction with an insurance firm which represents Toyota for all vehicle accident insurance.

NP 'spreading lies' about ANC - Mandela

Affirmative action to help 'all oppressed'

(176) Star 25/9/95

Upington - Those who claimed affirmative action was aimed solely at advantaging Africans were deliberately distorting the ANC's policy and that of the Government of National Unity, President Nelson Mandela said yesterday.

Addressing an enthusiastic ANC election rally of about 4 000 people at Upington in the Northern Cape, Mandela said the ANC was proposing the empowerment of all those who had been oppressed by apartheid.

"This includes coloureds, Indians, Africans, the disabled and all women and means that the opportunity must be afforded to all of you to reach your full potential."

Mandela, accompanied by Northern Cape Premier Manne Dipico and other senior ANC offi-

cial, said it had come to his attention that there were political parties, including the National Party, spreading lies about the ANC's position on religion.

In the Northern Cape they were specifically spreading rumours that the ANC was against the Christian faith. Nothing could, however, be further from the truth.

The ANC opened its meetings with prayers.

"How can someone like me, the product of missionary education, ever be opposed to religion?"

Mandela said the NP had abused Christianity and had tried to defend the indefensible through the ideology of apartheid.

"As I stand before you here today, I make a solemn promise

that the ANC will protect your right to worship and to live out your faith."

The NP and its cohorts were also spreading stories that the ANC was against healthy family values and moral standards. Yet it had been the ANC which had fought hard to ensure the removal of pass laws, forced removals, migrant labour and the Group Areas Act.

Mandela said to applause that as long as the ANC existed, there would always be a place in the country for all South Africans.

The ANC-led government had done more in 18 months than the NP had in 45 years of governing.

Referring to the two Anglo-Boer wars, Mandela said South Africa needed a third freedom struggle against poverty, ignorance and hunger. - Sapa.

Equality hurts blacks — consultant

Staff Reporter

MANAGEMENT consultant Kenneth Mqamqo, who helped restructure parliament, says equality has become a two-edged sword that cuts blacks down instead of helping them.

He resigned from his parliamentary assignment on August 31 after a breach of contract dispute.

He resigned because he was disillusioned by the "focus on black failure" in the "white media" whose intention was to diminish black achievement so as to undermine real change.

He said most blacks had worked harder than their white counterparts, yet they were "suffering the brutality of unwarranted smear campaigns at an unprecedented rate".

This was true even in the case of parliament, with headline news making it appear that the institution was more efficiently run before, by whites.

(176) ARG 26/9/95

Popcru demands affirmative action

Staff Reporter

(176) (255)

ABOUT 200 Popcru members held a placard demonstration outside Pollsmoor Prison in Tokai, launching the union's mass action on an "orderly" note. *ART 27/9/95*

Popcru leader Pieter Loggerenberg said the aim was to focus attention on their grievances with the least possible disruption.

"But, we will gradually embark on more disruptive action which would ultimately result in withdrawal of labour if management does not co-operate", said Warrant Officer Loggerenberg.

"Our main problem is the prison authorities' blatant refusal to include us in the process of change and affirmative action.

"We are also opposed to the military style of treatment and the enforcement of orders we have to work under.

"If we can't be part of the management process, how can we, the wardens who are the backbone of the Correctional Services, be satisfied workers?"

Commitment to affirmative action 'only skin deep'

Stan 27/9/95 (176)

■ BY ROSS HERBERT

Commitment to affirmative action by South African corporations remains largely superficial and needs a major re-assessment, said members of the Institute of Personnel Management.

The institute has launched the Affirmative Action Toolkit, developed after a year of research into the state of affirmative action programmes in South Africa and programmes in the United States, Malaysia, Thailand, Zimbabwe and India.

"If I had to be brutally honest, I would say companies are implementing affirmative action programmes more than they were a year ago but the commitment isn't there," said Keith Rosmarin, co-chairman of the institute's affirmative action division.

Rosmarin said the American use of rigid quotas, particularly in the public sector where they were often imposed by court order, had largely failed and had created a political backlash because of a failure to consult with all the stakeholders and gain buy-in before implementing affirmative action programmes.

Before diving into an affirmative action programme, organisations needed to do a careful audit of attitudes, informal rules of success and implicit and explicit incentives at all levels, said Rosmarin.

Then the results should be discussed with all stakeholders who should collectively agree on the goals and approaches of an affirmative action plan.

"Without consultation, any affirmative action plan will fail. It's as simple as that," Rosmarin said.

Popperu may

step up action

□ 'Misguided' affirmative action

Staff Reporter

IF the present wave of "passive protests" does not elicit a positive response from Correctional Services management, the Police and Prisons Civil Rights Union (Popperu) says it will have to resort to more demonstrative action.

Industrial action over what Popperu describes as a "misguided or non-existent" affirmative action policy in the Department of Correctional Services spread to the Western Cape this week after starting in the Northern Cape about two weeks ago.

In the Western Cape, the protest action has taken the form of warders refusing to attend morning and afternoon parades and to do night-shifts.

Regional spokesman for the department, Mike Green, said some non-testing staff had worked double shifts to fill gaps left by Popperu members.

He said the situation in all Western Cape prisons was "under control", although the smaller prisons, with fewer staff, were feeling more of a pinch.

It was the department's stated national affirmative action policy that

by 2000 all ranks would be filled by 70 percent blacks and 30 percent whites, he said.

During lunch-hour yesterday, about 200 Popperu members at Pollsmoor Prison staged one of the most orderly toyi-toyis yet seen in the Western Cape — along Tokai Road — before a picket demonstration at the Main Road intersection.

Popperu regional secretary Eddie Johnson accused management of determining the department's affirmative action policy "unilaterally".

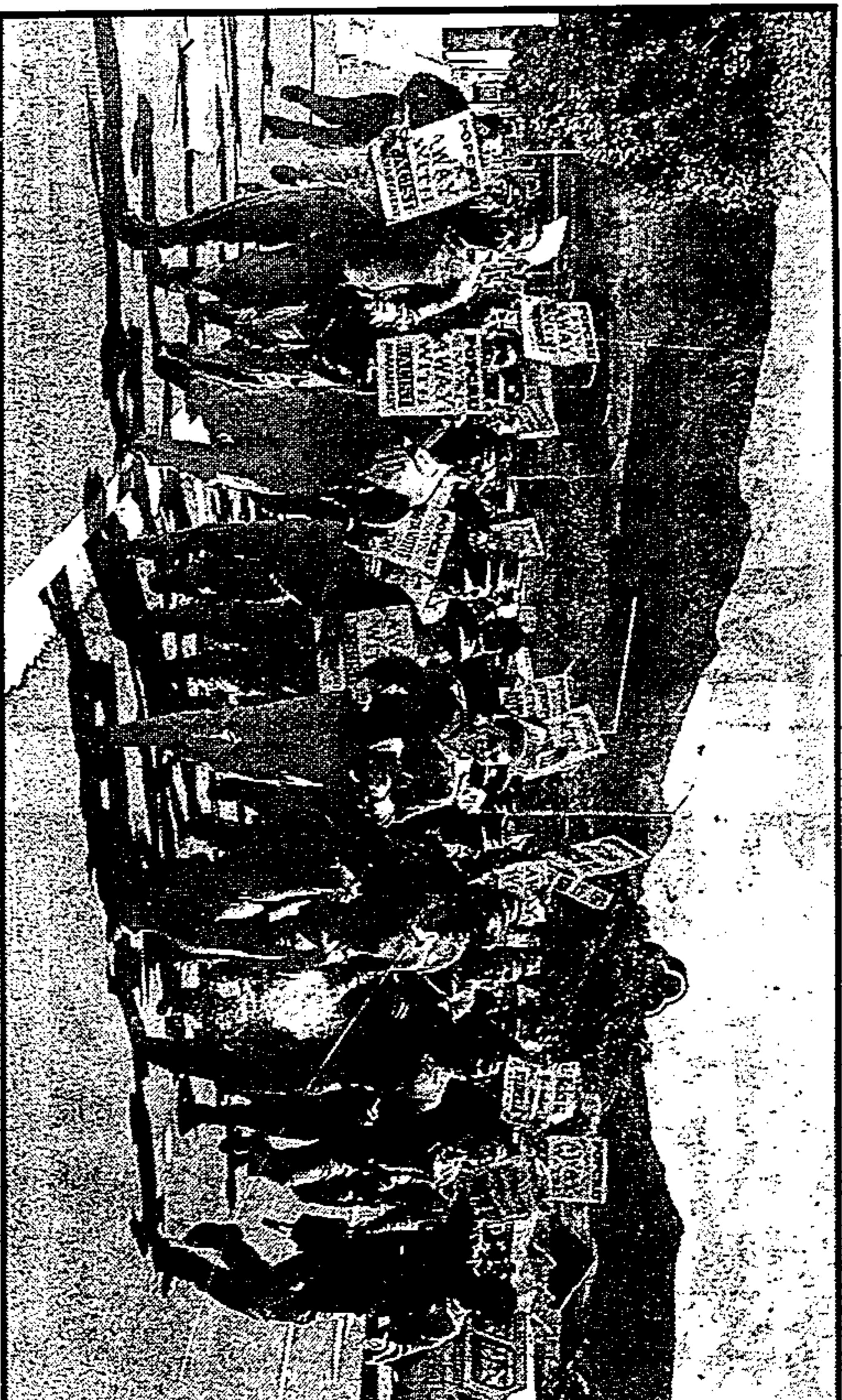
For the "racist oppressors" to make all decisions regarding affirmative action was a "sham", he said.

The department was "going out of its way to show the government of national unity in a poor light.

"This protest is not aimed at the government, but at the white, racist department," said Mr Johnson.

It was disturbing that the department was saying prisons were functioning relatively normally.

Popperu members would return to normal duty as soon as management responded to their demands.



Picture: JACK LESTRADE
OUT OF PRISON: Police and Prisons Civil Rights Union members stage a picket demonstration to highlight alleged "non-existent" affirmative action in the Department of Correctional Services, after toyi-toying from Pollsmoor Prison along Tokai Road.

Debate about affirmative action alive and well

(176) CT(BR) 2/10/95

BY DUMA GQUBULE

SPECIAL WRITER

The debate over affirmative action in the workplace appears to have abated.

Headhunters had a field day last year as companies made frantic attempts to improve their quotas. Few doubted the government would introduce affirmative-action legislation.

Now, Tito Mboweni, the minister of labour, is giving conflicting signals on the issue and it does not seem to be high on his department's agenda. Some managers predict he will not introduce any legislation.

Bheki Sibiyi, the managing director of the Black Management Forum, believes Mboweni has not dodged the issue. He said the debate had not subsided, whatever the perceptions. It was just that the final decision would not be made by the minister alone. He had passed the buck to a tedious consultative process. That was the way things were done in South Africa.

Mboweni agreed in March to set up an Affirmative Action Policy Development Forum. It involves all the major stakeholders, including Business South Africa and the Black Management Forum.

The development forum is busy compiling an interim report. It will be submitted to the labour market commission next month after which the document will be passed on to Nedlac. Nedlac's proposals will be discussed in parliament.

"It will be a drawn-out process. The minister says he wants to implement employment equity law by the end of next year. The main issue to be discussed at the forum is whether to opt for affirmative action policy guidelines or legislation. It's up to the minister to determine how long it will take," Sibiyi said.

He said the forum's first task was to agree on a definition of affirmative action. "The word has been abused. For example, it is incorrect to talk of an affirmative-action candidate. It is organisations that have to be transformed. Part of the process is to sensitise white managers who have negative attitudes."

The forum's definition is deliberately narrow. It focuses on affirmative action in the workplace and does not address issues of broad black economic empowerment. The big business definition was narrower than the forum's, Sibiyi said.

"The forum talks about transforming organisations. Business is uncomfortable with the idea. It defines affirmative action as training and developing blacks and women for senior management positions. Our definition is broader and includes unionised employees.

"The unions are suspicious of

affirmative action. They say a change in the colour of senior management must be accompanied by a transformation to a more democratic management process. Companies are so preoccupied with finding blacks for senior management that they forget about the unionised employees. The forum agrees with the unions on this point."

Sibiyi believes business objections to the legislation are short sighted. "The National Party was reluctant to implement political change. It now wishes the change had taken place many years ago. Business will feel the same way once affirmative-action legislation has been implemented effectively. The benefits will include a greater sense of belonging among the black people in the country's major companies. This will result in higher productivity and growth."

Another view is that the market will reward companies that hire and promote suitable black talent. The supply of skilled black labour is less

than the economy's total demand for supervisors, managers and professionals. If legislation forces companies to fill certain quotas, the result will be distortions — like rocketing salaries for the limited pool of black professionals — and inefficiency.

Sibiyi said this argument collapsed when one critical assumption was relaxed. That was the belief that com-

panies would behave in the economically rational manner described above. The argument broke down if one accepted, no matter how difficult this might be, that there was racism in many companies. In a racist economy, managers did not behave rationally. The labour market was distorted.

He said: "We have had voluntarism for the past century. Look at the results. Even white women are not adequately represented in corporate South Africa's boardrooms. It is no use giving apartheid as an excuse. There was no law that said that our major companies could not appoint a black person or a white woman as managing director."

A counter-argument is that capable black people should be promoted and hired on the basis of merit, not quotas. "Merit is relative and loaded with a cultural bias. The dice will always fall in a certain way.

"Affirmative-action legislation will unload the dice. Companies will seek new black talent instead of only hiring and promoting people from familiar cultural backgrounds. Information flows in the labour market will improve. The market will be more efficient," he said.



'Part of the process is to sensitise white managers who have negative attitudes'

— BHEKI SIBIYA

□ The author is the managing editor of African Business

Affirmative poaching threatens SA

(176) CT 3/10/95

DR MAMPHELA RAMPHELE, in the running for the vice-chancellorship of the University of Cape Town, gives her views on affirmative action to **BARRY STREEK**.

When Dr Mamphele Ramphele resigned from the board of Old Mutual — whose assets totalled R109,2 billion last year — after two years of service but remained on the board of directors of Anglo-American, with assets of R73,3bn, she caused something of a stir in corporate South Africa.

Questioned at a press conference afterwards, she was adamant that she would not serve as a token on any body, however prestigious. She said she did not have the time to exercise her Old Mutual responsibilities effectively, although she had not found this to be the case with the quarterly meetings of the Anglo-American board.

Her decision, however, raised serious questions about affirmative action, particularly at the boardroom level. She feels there is a lot of confusion about affirmative action as SA, including the business sector, tries to fight the wrongs of the past.

Dr Ramphele, director of Idasa's Public Information Centre and deputy vice-chancellor of UCT, says the membership of corporate boards was an issue the King Commission had identified as key to greater accountability in the corporate sector.

"Political changes since the 1990s have put pressure on the corporate sector to change in order to reflect the increasing shift of power relations in society.

"The urgency to change the profile of the managerial and executive staff of South African business is palpable."

Dr Ramphele said affirmative action was cited as the driving force behind this acceleration, but questioned whether these moves were having any real impact on power relations in the business sector.

There are a few key features of the changing profiles, she said.

"First, many of the appointments to managerial positions are re-cycling the same people through poaching and premium payments involving black executives."

For instance, Mr Junior Potlane was no sooner presented to the world by Nedcor as its managing director of People's Bank, than he announced a move to SA Breweries in a senior management position, presumably for a better deal offered by the latter.

She might also have cited the case of Mr Humphrey Khosa, a senior executive in Shell who left to join Absa, but then returned shortly afterwards to Shell, then took a senior position in the Independent Electoral Commission and then was appointed to Shell's South African board. One month later he resigned to join Nestlé.

Another recent example was the appointment of Mr Ivan Flynn as head of the SABC's television news department, shortly after he had been appointed deputy editor of the Pretoria News.

Dr Ramphele added: "Job-hopping is a phenomenon which has worrying implications for the future career development of young blacks who spend too little time in their jobs to acquire useful skills.

"Businesses which have not invested any



CAPPED: UCT deputy vice-chancellor Dr Mamphele Ramphele receives her second doctorate at UCT in December 1991 from Mr Justice Pat Tebbutt.

significant resources in high-level human resource development are in many cases trying to use quick fix solutions to their staff profiles at great cost to the country in the long-term.

"Second, the positions to which most black executives are appointed tend to be 'soft' areas where major decisions which put the business at risk are not taken.

"There is an over-concentration of black managers in human resource management and 'community relations' (code for Native Affairs) portfolios.

"Third, board appointments tend to focus on a few blacks seen as 'safe' appointments. SA business has not shown much

willingness to take bold decisions and to integrate people with talent into the world of corporate boards.

"The bigger the corporations, the less willingness they display in taking these risks. It is not surprising that the same black faces tend to meet over and over within the boardrooms of the corporate sector.

"The pool of black talent in the black community is not being expanded. On the contrary, there is a real risk of undermining the existing limited talent through over-extension," Dr Ramphele said.

She believes affirmative action programmes should be rooted in a well-constructed equity framework.

In the employment arena, clearly articulated employment equity policies have to be supported by top management and three main thrusts are essential to success:

- Increased access to job opportunities by blacks and women which includes identifying potential and taking the risk of bringing it on board.
- A creative human resource development strategy which brings out the best in all employees.

- A positive framework for all which enables those in positions of authority to feel affirmed and thus to be able to support the development of their subordinates.

"We need a change in organisational culture to ensure that the diversity of the workforce is acknowledged.

"A major part of the change in the corporate culture is the need to decode the language of board deliberations to make discussions more meaningful to non-executive board members, so as to facilitate their input into decision-making and shaping of policy.

Short-sighted

Dr Ramphele said the failure of the corporate sector to develop a holistic approach to employment equity was disturbing.

"The legacy of apartheid has undermined our human resource capital base. The short-sightedness of the business sector could rob us of an opportunity to succeed as an African country.

"It is the culture of corporate SA which is in urgent need of change to enable potential talent in the black community, and among women to come into its own," she said.

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City councillors divided over affirmative action

(176) (215) ARL 6/10/95
Municipal Reporter

CITY councillors are divided over how affirmative action should be applied at the Cape Town City Council.

This emerged during a debate on a policy agreement between unions and the council on the implementation of affirmative action.

Key elements in the document are that the policy should be on the basis of competence as well as targets to create a representative population mix within the council.

But Arthur Wienburg of the Democratic Party objected to the document on the grounds that by setting targets the council was effectively creating a quota system which ran counter to the idea of employing people for their competence.

Ernest Sass of Cosatu said the document was vague and did not spell out what was meant by certain

phrases and words.

Thoko Mkhwanazi-Xaluva of the PAC said the document should be adopted because the only way to change the status quo was to have targets.

She said ratios could not be fixed because the population profile in the city was still in flux.

Neil Ross of the DP argued for the document's acceptance, saying there was a "massive difference between targets and quotas".

He said the city's affirmative action board needed teeth.

Mzukisi Gaba of the SA Communist Party felt the document was trying "to sit between two chairs" because it said that jobs should be filled first from within the ranks of the existing council.

This did not reflect the demographics of the Western Cape.

Council to beef up affirmative action

PETER DENNEHY

CAPE TOWN City Council is close to adopting a controversial addition to its affirmative action agreement.

The additional policy document, which spells out in greater detail how action will be implemented, was referred back for further discussion at yesterday's council meeting after councillors

found the wording was confusing.

The central issue is that selection will be on merit "provided that selection shall favour, as determined by the targets, competent applicants from a disadvantaged background".

A row blew up over "targets", which Mr Arthur Wienburg claimed were actually quotas. He objected, saying the council had never agreed to a quota system.

(176)
However, Mr Neil Ross said there was a world of difference between targets and quotas.

"Quotas are a given. Targets are something you aim for."

The document says each department or branch of the council must negotiate with unions to arrive at targets which must be submitted to the council's affirmative action board and will help to correct disparities.

ET 6/10/95

Poaching skilled blacks 'hampers affirmative action'

Star 9/10/95

(176)

■ BY ROSS HERBERT

Poaching of skilled black managers allows companies to avoid developing meaningful internal training programmes and legislative attempts to limit it would find broad support, according to speakers and delegates at a conference on affirmative action in Midrand last week.

"The tendency of companies to buy existing managerial affirmees on the open market has led to the rapid escalation

in the price to be paid for such skills and an under-provision of opportunities for those who have the necessary managerial potential but who are disadvantaged," said Kgabo Badimo, manager of information technology recruiting at First National Bank.

"This suggests that if the under-provision of disadvantaged managerial affirmees is to be corrected, companies must be enticed, or even forced, to break out of the current impasse generated by their dependency on the circulation

of a relatively small number of advantaged members of the disadvantaged groups."

Mask

Recruiting high-profile candidates to fill highly visible corporate jobs provides a convenient corporate mask that diverts attention away from broader affirmative action initiatives, one audience member complained.

Mpho Letlape, a human resources manager at IBM, said that many management trainee

programmes in industry have not been effective. Programmes are often based on the notion that inexperienced trainees can be transformed into polished managers.

"How can you train someone to be a manager when they never worked before? I have to offer a lot of counselling to lower expectations," Letlape said.

Instead of management trainee programmes, Letlape said, companies should focus on offering realistic training and offering career paths with

substantive challenges.

"Making people proud buys loyalty" while unrealistic expectations and shovelpiece jobs lead to a high turnover among black managers, she said.

"The problem with some affirmative action strategies is that they are often regarded as a form of corporate social responsibility and thus fail to recognise affirmative action expenditure for what it should be: as part of an investment policy aimed at developing the company's human resources for the future," Badimo said.

Poaching skilled blacks hampers affirmative action

(176)
ET(BR)9/10/95
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STAFF WRITER

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Strike action ... against affirmative action. Telkom workers protesting outside the company's regional head office in Randburg yesterday. Workers will return to work today. PICTURE: NATASHA PINCUS

■ STAFF REPORTERS

The approximately 200 Telkom workers - members of the whites-only Mineworkers' Union (MWU) - who went on strike yesterday have ended their protest. Telkom's Witwatersrand spokesman Gert Schoeman said the workers dispersed about 2pm after lengthy discussions between union representatives and management. They had gath-

200 Telkom workers end affirmative action strike

Star 11/10/95

(176)

ered outside Telkom's regional head office in Randburg yesterday morning to protest against affirmative action. Schoeman said the worker's grievances had been referred to the company's headquarters.

The MWU - a union representing white employees in several businesses - called for the reinstatement of a merit system whereby employees at C2 level and higher were promoted. After the scrapping of the sys-

tem, posts were advertised and white Telkom employees were angry that blacks lacking qualifications and experience were being hired on the basis of their potential, MWU chief executive A C Van Wyk said.

He added white employees were being overlooked for promotion and in some cases were training black people junior to them to become their supervisors.

Cosatu plans Natal campaign

COSATU in kwaZulu/Natal will embark on a campaign to pressure employers into implementing affirmative action policies.

Cosatu said yesterday less than one percent of companies in the province actively implemented affirmative action.

It accused employers of not taking steps to close the wage gap between black and white workers.

(176)
Sapa-Reuters

CT 13/10/95

Affirmative action programme

COSATU is to launch an action programme in KwaZulu-Natal to press employers into implementing affirmative action policies. (176)

The union said yesterday that less than 1% of companies in the province actively implemented affirmative action. BD 13/10/95

It would monitor workplaces to ensure affirmative action was implemented and demand that provincial government pass legislation forcing employers to employ and promote black employees into senior positions.

JOBS

SA's big employers find affirmative action works best from within

ST (Pt) 15/10/95 (176)

Three big companies pioneering affirmative action policies have found that internal development rather than the wholesale external recruitment of black executives is the key to empowerment, writes **THABO KOBOKANE**.

THREE SA companies are generally considered to be among the leaders in implementing affirmative action — Eskom, the Development Bank of South Africa and insurance group African Life.

Not only are they the only three where black middle and upper managers already account for more than 10% of the total number, but they have also shied away from tokenism.

Nationwide, according to earlier figures by the Breakwater Monitor Project, less than 4% of managers are black.

Nene Molefe, public affairs manager at Eskom, says the utility's affirmative action programme is driven first and foremost by a business imperative. "As a result we need to start developing black (African, coloured and Asian) skills," says Ms Molefe.

To this end Eskom has committed itself to having 50% of its junior to senior management staff black by 2000. By the end of December 1996, Ms Molefe estimates, the proportion will be 30%. At present about 12% of management (junior to senior) positions are held by blacks.

Eskom has a total staff complement of 38 000. To meet the targets, recruitment will give preference to black South Africans, but the driving

force behind Eskom's programme is internal staff development.

At entry level Eskom has what it calls a graduates in training programme — compulsory for all new recruits. Ms Molefe says the programme equips recent graduates to acclimatise to the organisation and prepares them for senior positions.

The accelerated development programme has been put in place for blacks who have been with the organisation for a long period and equips them for senior positions, whereas the leadership development programme prepares people for management.

At the other end is the management diversity programme, which tries to harmonise what Ms Molefe calls the eurocentric and afrocentric management styles.

Eskom also has an adult basic development programme which is aimed at overcoming illiteracy within the organisation.

The Development Bank of South Africa sees affirmative action as consisting of a "process of maximising the potential of staff members. In doing so we design

and implement interventions that focus on the correction of historical and current imbalances".

To this effect the DBSA has adopted a recruitment and selection policy to ensure that the most appropriate candidate is recruited and selected at all levels with "special preference being given to disadvantaged groups". This is in line with the organisation's policy to reflect the racial and gender dynamics of the country.

Kgotso Ntseare, the DBSA's general manager for corporate management services, says the proportion of black senior executives in the organisation has risen to 50%.

Like Eskom, the DBSA programme is driven internally and supplemented by recruitment. Mr Ntseare says 79% of new recruits for new positions are from previously disadvantaged groups.

Mr Ntseare says recruitment and selection decisions are supported by training interventions and personal support to remove performance barriers caused by culture, attitude and values. Judy du Toit, African Life's

deputy general manager for human resources, says that when African Life split from Anglo American Life (now Southern Life) in 1992, the organisation decided to "concentrate on the development of all staff, especially previously disadvantaged people."

"At recruitment level, preference is given to previously disadvantaged people, but we will not take a token," says Mrs du Toit. Unlike Eskom, Mrs du Toit says, African Life does not have any specific targets but is guided by a determination to reflect the demographics of South Africa.

"Quotas and targets can lead to window dressing and other, related problems," she says.

Mrs du Toit says this does not mean that white staff will have to be retrained to make way for black staff. She says that African Life has been growing swiftly and jobs are being created.

Breakwater's affirmative action study rated African Life third out of 130 companies surveyed, with a proportion of black management at 30% out of a staff complement of about 600.



RACING AHEAD: Kgotso Ntseare, general manager at the DBSA

Affirmative action 'needs to be introduced with care'

BD 16/10/95 (176)

Theo Rawana

AFFIRMATIVE action programmes could trigger off racial prejudice and even white backlash if they were not accompanied by training programmes to combat prejudice, discrimination and avoidance of tokens, a management conference was told last week.

An industrial psychology lecturer at Rhodes University, Sarah Fischer, told an international conference On Management In Africa at Pretoria University that affirmative action had been accused of creating prejudicial beliefs and resentment among those who did not benefit, and of resulting in a backlash, "or at the very least, reinforcing existing stereotypes" about black men and women.

The mere existence of an affirmative action programme might strengthen these stereotypes.

Grievances were growing in the US about affirmative action policies being reverse discrimination and a policy that deliberately excluded white males.

"Within the author's own university setting, such grievances are being heard more and more, as white graduates are struggling to find employment."

Research conducted at the manifestations of such backlash within organisations included the slowing down of the career progress of candidates by selectively withholding information from them, excluding them from participating in key decisions and treating their accomplishments with indifference or disdain.

"This kind of treatment is negatively experienced by the beneficiaries and in turn can lead to the internalisation of such treatment, resulting in low self-esteem and even lowered performance."

Research conducted overseas showed that the manner in which an affirmative action programme was introduced or implemented within an organisation had a critical role to play in the emergence or absence of these effects.

She said there was a need to implement affirmative action that relied predominantly on "universalistic rather than particularistic criteria" with a strong distinction being made between quotas, with their emphasis on particularistic criteria and other such forms of the policy.

"Other factors to be considered in the implementation of an affirmative action programme include

involving employees in the determination of such a policy and the implementation thereof, including educating employees as to the fairness of affirmative action and that merit does constitute a criterion for selection."

The organisation must also be aware of the detrimental effects experienced by affirmative action candidates as created by the employment situation.

"This means setting up training programmes to combat modern forms of prejudice and discrimination and avoiding, where possible, situations of tokens."

Organisations instituting such programmes could not hope always to prevent negative expectations from forming.

"However, affirmative action, unlike equal opportunity, does not assume that the world operates free of stereotypes and expectancies," Fischer said.

"In SA affirmative action is not an option; it is a requirement. The choice that we do have is whether or not we will make a success of such programmes.

"Unfortunately, failure will, in all probability, scar those caught in what will then be an elusive quest for equality."

Affirmative action official spends day as a dustman

CT (MR) 23/10/95 (176)

By AUDREY D'ANGELO

CAPE BUSINESS EDITOR

Gavin Pieterse, the new president of the Western Cape Black Management Forum and affirmative action project director with the Cape Town city council, spent a day working with the crew of a garbage truck.

Explaining himself, Pieterse said management must keep in touch with workers rather than remaining aloof in an ivory tower.

He said one of the problems facing black managers was that they faced strong pressure to conform to the customs and habits of their white colleagues and, once assimilated, lost touch with the people in the townships who supported them.

During his term of office, he intends to strengthen contacts between the forum and the trade unions.

Pieterse said the forum's primary objective was the upliftment of previously disadvantaged people.

There were degrees to which people had been disadvantaged and those who had suffered most in the past should receive the most help now. He said most of the country's power and wealth was concentrated

in the hands of a small group of white males and this had to change.

This made it necessary to think in terms of groups rather than individuals, which meant that liberal whites, who had been in the forefront of the struggle, had to take a back seat for a while in terms of promotion.

This could lead to a situation in which the black son of wealthy parents would benefit from affirmative action while the son of a poor white railway worker, who had overcome his background to gain the necessary qualifications, would lose out.

But this situation would not go on forever. "It must come to an end at some time, otherwise it will simply be racism in reverse."

The time for affirmative action to end would differ for each organisation. The racial composition at higher levels must change sufficiently and the corporate culture must become more friendly to the individual.

Pieterse said it was vital to change the thinking which caused some organisations to be authoritarian, crushing individual initiative.

The mindset underlying such organisations saw people as basically incompetent and in need of control. If

South Africa was to become internationally competitive, he said, that style of management must go. Individuals must be empowered to make decisions.

The mindset that encourages gamesmanship within an organisation, in which there is one winner and 50 losers, should also change. Black people worked better as a team than in competition with colleagues.

And people should not be judged entirely by their contribution to the bottom line. A manager who succeeds in developing people should also be highly regarded.

Businesses "should not go out shopping for black people" suitable for executive positions but should identify talented people among their work forces and provide training and education to advance them.

But white people should also benefit from training and development and should not feel it was a waste of time to apply for jobs.

In cases where the only candidate who met the required standard was white he should be appointed — to pass him over for a black applicant who was not quite good enough would be tokenism.

Carolus slams affirmative (176) action cynics

Staff Reporter

CYNICAL affirmative action policies have come under fire from deputy secretary-general of the African National Congress, Cheryl Carolus.

She told the annual convention of the Institute of Personnel Management in Gauteng yesterday it irked her to find a concentration of black managers in positions which dealt with the public and potential opposition, but nowhere else.

"We must strenuously resist tokenism," said Ms Carolus.

"In spite of all efforts, there are still few historically disadvantaged people in positions of real decision-making.

"It irks me to find a concentration of black managers in personnel, human resource development and community liaison at the interfaces with the public and potential opposition.

"One can assume it provides a comfortable buffer zone between the real interests of the company and the constituency seeking to challenge corporate culture," she said.

"There has been a strong shift away from affirmative action since the election of the government of national unity," said Ms Carolus.

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Affirmative action in public sector ⁽¹⁷⁶⁾ alive, but not ~~(23)~~ well, survey shows

ARG 24/10/95

PRETORIA. — Affirmative action is being visibly implemented in the South African public sector, according to a recent survey by Central Statistical Services (CSS).

But although the number of black employees is increasing, blacks are still being paid less than their white, coloured and Indian counterparts, the research shows.

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Since October last year, the number of black workers in the public sector increased by 5 817 within a period of six months, while the number of white workers decreased by 9 523 in the same period.

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However, whites in the public sector are earning on average R2 037 more than their black colleagues.

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The survey showed a ratio of eleven black workers to every white worker in the provincial administrations.

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The research examined average salaries and wages in national and provincial administrations, excluding employers' contributions to funds, and revealed a 36 percent difference between the average salaries of whites and Indians compared to blacks.

In March this year, Indians in national and provincial departments were earning the top average salary of R3 871 per month.

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The average salary of white employees was R3 818 per month, coloureds were earning on average R2 627 per month and blacks were placed at the bottom end of the average salary scale at R2 415.

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Out of a total of 1 885 443 public sector workers (including Transnet, the SA Post Office and Telkom), 52 percent are black and 22.5 percent are white.

The decrease of 2 365 white workers in provincial administrations between January and March this year was mainly due to retirements, the CSS said.

The public sector as defined in the survey included national departments, provincial executives, local authorities, parastatal institutions, universities and technikons, agricultural marketing boards and public corporations.

The survey also covered the civil services of the former TBVC states and self-governing territories, based on estimates obtained in the second quarter of 1994. — Sapa.

Caltex jobs policy 'only short-term'

~~176~~ (176)
LINDIZ VAN ZILLA

ET 24/10/95

AFFIRMATIVE action was a "short-term tool" that Caltex Oil would apply until its staff complement matched the demographic make-up of South Africa, the company's media manager in Cape Town, Mr Terry O'Donovan, said yesterday.

His comments followed demonstrations outside Caltex House on the Foreshore by members of the Black Employees Forum in protest against the way the company applied affirmative action.

Mr O'Donovan said that of the 94 new staff members hired this year, 64 were black, 19 coloured, four Asian and seven white. This proved that Caltex's affirmative action policy was in place and working, he said.

Critics of the policy have claimed that the programme is "a big and expensive joke". An employee, Mr Zimele Ndlela, is under "indefinite suspension" for circulating among colleagues an internal memorandum slating the programme.

Mr O'Donovan said that although affirmative action was a priority at Caltex, the rate of progress was determined by the company's needs.

Chairman

● The media liaison officer at British Petroleum, Mr Keith Bryer, said it was proof of BP's commitment to affirmative action that Mr Frederick Phaswana was to become its first South African chairman and chief executive from December 1.

Mr Phaswana had been with the company for more than 30 years, he said.

● Affirmative action is being implemented in the public sector, but blacks are still being paid less than their white, coloured and Indian counterparts, according to a recent survey by Central Statistical Services, Sapa reports.

The survey found a ratio of 11 black workers to every white worker in provincial administrations. In March this year, Indians in national and provincial departments were earning an average salary of R3 871 a month, whites were earning R3 818, coloureds R2 627 and blacks R2 415.

Of the 1 885 443 public sector workers (including Transnet, the SA Post Office and Telkom), 52% are black and 22,5% are white.

ANC slams firms' affirmative policies

CT (EX) 25/10/95

(176)

By Reuters

ANC deputy secretary-general Cheryl Carolus accused South African companies yesterday of slowing down affirmative action initiatives since the government's election.

Addressing the 39th annual convention of the Institute for Personnel Management, Carolus said people who were unfairly advantaged in the past had to give up some of their privileges.

"There has been a strong shift away from affirmative action since

the election of the government of national unity.

"It means either that we have moved back towards our old comfort zones or are simply unwilling to face the many difficult questions surrounding affirmative action.

"(But) unless we understand the past and deal with the wrongs, we won't be worthy of assuming our role in the future.

"In challenging affirmative action, you are challenging privilege, because affirmative action challenges unfair privilege.

"Our people are our greatest

asset and it is sad to look back and see how that asset was systematically underdeveloped," she said.

Carolus said affirmative action should encompass not only blacks, but also women, youth, the disabled and rural people.

"These categories of people constitute substantial majorities of our population," she said.

The country also had to strenuously resist tokenism and "despite all efforts there are still few historically disadvantaged people in positions of real decision-making".

Carolus said there were also

serious racist overtones to the way in which affirmative action was implemented.

"It irks me to find a concentration of black managers in personnel, human resource development and community liaison, at the interfaces with the public, and potential opposition," she said.

"One can assume it provides a comfortable buffer between the real interests of the company and the constituency seeking to challenge corporate culture."

"Of course we say that affirmative action must target black South

Africans, but the whole issue is being used very destructively for party political ends.

"What we need to find is a way in which to affirm one category or people, without it being at the expense of another category," Carolus said.

Affirmative action could not work in South Africa, she said, if the challenges of overall transformation were not dealt with.

"Our country needs a new developmental approach to form the basis for addressing the discriminatory practices of the past."

RACE STATISTICS 'MISLEADING'

Caltex Oil 'employs blacks at low levels'

CT 25/10/95

(176)

THE DISPUTE over affirmative action at Caltex continued yesterday, with claims that black employees have little room for advancement. **LINDIZ VAN ZILLA** reports.

THERE was no possibility of "upward mobility" for black employees at Caltex Oil, most of whom were employed at "very low entry levels like truck drivers and desk clerks," said chairman of the Caltex Black Employees Forum Mr Luvuyo Mabombo.

He was commenting on the controversy over Caltex's affirmative action programme and its claim that of 94 new employees hired this year, 64 were black.

The company has rejected criticism that it is unfair in implementing its programme.

Mr Mabombo said the statistics

released on the implementation of Caltex's affirmative action programme were misleading. He accused the company of employing black people only for the sake of rationalising levels within the company.

Caltex, however, released further statistics yesterday to support its claims.

The statistics show comparative figures for staff ratios in 1990 and 1995. In 1990, 49% of employees were white, 24% black, 23% coloured and 4% Asian. By 1995, the breakdown has changed to: 39% white, 31% black, 25%

coloured and 4% Asian.

Media manager for Caltex in Cape Town Mr Terry O' Donovan said these figures showed the positive implementation of Caltex's affirmative action policy, which required that preference be given to African applicants.

He said the large drop in the number of white employees between 1990 and 1995 was due to normal attrition, with employees being offered retirement packages and also retiring voluntarily.

He also said that nationally 32% of staff in supervisory to senior management level positions were not white.

He was not available last night to comment on allegations that Caltex recruited black people at low entry levels.

Caltex in bid to resolve dispute

CALTEX Oil will hold discussions with its Black Employees Forum in an attempt to resolve the crisis surrounding the company's affirmative action programme, media manager Mr Terry O'Donovan, said yesterday. (176)

Caltex have been embroiled in an ongoing controversy over the implementation of its affirmative action programme.

The programme has been criticised by the forum who claim it has failed to properly address racial imbalances. — Staff Reporter

CT 26/10/95

Empowerment or self-enrichment

This is the first of a three-part series on black economic empowerment and recent developments in that arena

Five years ago the idea of the PAC's Benny Alexander putting in a rescue bid for an ailing bank would likely have been greeted with some amusement. In 1995 such is the pressure to be identified with black economic empowerment in some shape or form that not only were there no smiles, but Absa is reported to have been prepared to back iKhoisan X (formerly Benny Alexander) and his Trans South Africa Investment Holdings consortium's bid for a slice of the African Bank action.

At the same time that Afbank curators were considering the rescue bids from all sorts of "empowerment" groupings, Sun International announced the members of its new consortium — African Sun International — which would be bidding for casino licences. And it seems the strategy in 1995 is not that much different from that which worked so well for Sun International during the era of the homelands — identify the new power players and bring them onside. The difference this time around, reflecting our broader democracy, is that there's a greater variety of players to accommodate. African Sun International includes Khulani Holdings, Thebe and Women's Investment Portfolio.

Among the obviously attractive features is their likely political clout. Thus, Khulani Holdings' former MD is Johnny Mhlungu who is Finance MEC for KwaZulu Natal,



By ANN CROTTY

Strategy is not so much different now — identify the key players and bring them onside

one of its executive directors is Zuzi Buthelezi, son of Mangosuthu. In the past Thebe has tended to flaunt its connections with the ANC. The highest profile member of Women's Investment Portfolio is Wendy Lulabe-Shilowa, wife of Cosatu leader Sam and a powerful figure in her own right.

So, there are a lot of compelling reasons why African Sun International should be taken seriously as a black empowerment group.

Without doubt for the next few years mergers, acquisitions (rescue bids), unbundling exercises, privatisation moves, casino licence applications etc will all have as a core requirement the need to foster (or appear to foster) black economic empowerment. It is with an eye to the widescale opportunities that "black economic empowerment" vehicles are sprouting daily.

Inevitably there is the charge that some of these companies have little to do with empowerment of the masses and everything to do with enrichment of individuals.

There is the additional charge that many of the individuals playing key roles rely more on personal access to ANC or IFP officials than an insight into business or a desire to empower the black community. Certainly

enrichment of a limited number of black individuals can lead to the empowerment of a broader segment of the black community. But it is not inevitable and it is a very slow trickle-down process. To criticisms of enrichment and use of political power there is the counter charge that not only is this what the Afrikaners did 50 years ago, but it is what happens following most political transitions. This implies it would be naive, unrealistic and unfair to assume that the black players getting involved in empowerment deals have any responsibility to the broader society. But, 50 years ago, things were a lot different; the Afrikaner community was much more united than the black community is today and being so much smaller it was easier to ensure that the masses of the Afrikaners population benefited from economic empowerment. Where there were no fancy financial deals there were always the parastatals where employee numbers could be swelled to ensure reasonably comfortable living standards for folk.

At a more practical level for today's empowerment group, is a frustrating catch 22 situation revolving around the issue of resources. While local and foreign funding is available to credible players, such players have to demonstrate some commitment and ability. And while many of them are reasonably high-profile personalities with a support base in the black community, inevitably not a lot have the sort of experience needed to manage a portfolio of investments. This will come with time and resources.

It is for these reasons that a number of the new investment companies have joined forces with one or other of the long-established players. For local established companies there is an urgency to form alliances with black companies or risk losing the initiative and see lucrative business go to foreigners.

Without some form of support, many of the empowerment groups remain little more than "after-hours" operations. Without financial backing, few of the key players are prepared to give up their current, often comparatively lucrative, day jobs to devote the needed energy to developing empowerment opportunities. In many instances the effect of this is aggravated by the tendency for many groups to attack on a broad front instead of identifying and then focusing on just one or two projects.

Thus a group may be angling for a slice of the JCI action, as well as casinos, as well as privatisation, as well as Afbank, as well as... Switching emphasis with each day. For the established company that is keen to provide support, it is also difficult terrain with much reliance on trust and relationship building.

For the public who daily see new names crop up, it is virtually impossible to get a handle on the substance of an empowerment group. iKhoisan X announced he had R200 million backing his Afbank rescue bid — a statement that was presumably questioned more deeply by the curators than by the media.

Thebe frequently announces multi-million rand deals involving a variety of partners with few if any details on the source of the funds involved or the ownership structure of the asset/company being set up or what commissions/management fees are being paid out and to whom.

Media treatment of this approach tends to be uncritical, taking as fact any statements relating to resources available to the players. The point is of course made that as private companies they are not obliged to reveal such detail. A further point could be made that even public listed companies haven't much of a track record when it comes to disclosure.

That it is new and difficult terrain for all concerned is evident by the number of proposed projects that don't seem to have quite got off the ground.

After much initial fanfare African Alliance Investment Management (AAIM) has gone deadily quiet. AAIM, which was set up by Investec, was to be a black

CT (BR) 30/10/95 (776)



EMPOWERING FOR THE FUTURE The consortium partners of Africa Sun International. From left to right, back, Zuzi Buthelezi (Kagiso Khulani's investment arm), Peter Bacon (Sun International) and Gorda Thula (Vela International). In front (left to right) are Wendy Lulabe and Nomhle Gcshashe (both directors of Women Investment Portfolio)

owned asset management company involving the National Council of Trade Unions (Nactu) and Thebe's investment banking arm Masele Finance Holdings. Each of the parties committed to bringing R100 million in funds to the deal. It seems Nactu and Masele are having difficulties on this score.

Merchant and Investment Bank Africa (Miba) also seems not to have got beyond the planning and initial launch phase. Thus, despite the inclusion of some credible names on its list of directors.

One of the more obvious success stories is Capital Alliance which moved into aggressive mode in March this year when it recruited eight members of the investment team of Norwich Life. Capital Alliance, 51 percent controlled by black-business interests, is not looking to take equity stakes in companies but is concentrating on fund management, financing, development and expansion projects for both the private and public sectors.

The company, which is headed by Mzi Khumalo, is being funded by McCarthy Retail and Rarr Merchant Bank, both of whom have a 24,5 percent stake and both whom have invested funds that will be managed by Capital Alliance.

The second part of this article will touch on some other players including Worldwide Africa, African Renaissance Holding, Sub-Saharan Investment, Sinc Investment Holdings and Ukha Investments.

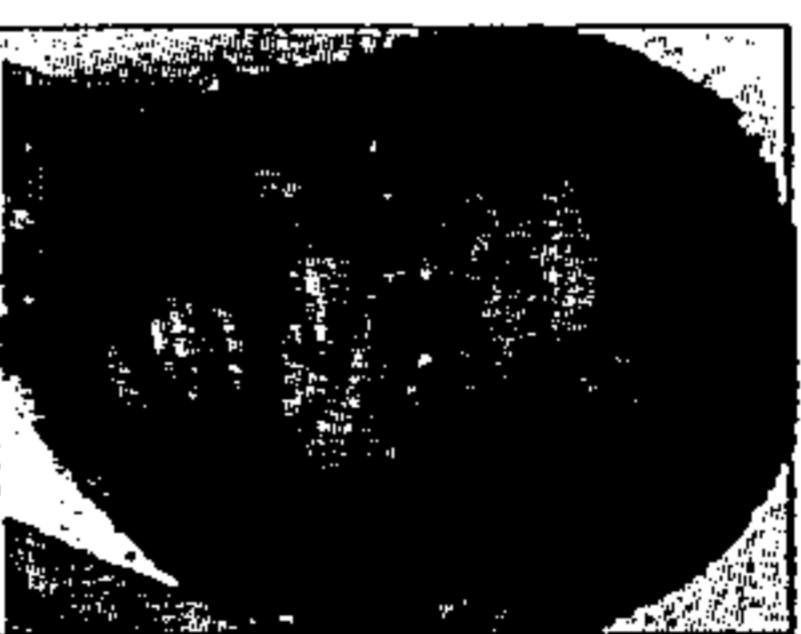
BACKGROUND & ANALYSIS

The who and why of black empowerment



By ANN CROTTY

This, the second of a three-part series, looks at the better known players in the black economy



Oscar Dhlomo



Eros Mabuza



Eric Molobi

The second half of the list will appear tomorrow.

The most established players are Nail and Rail.

The list of Nail directors is: Dr Nthato Motlana, Dr Sam Motsuenyane, J Ngubane, Jonty Sandler, Max Borkum, S Dondolo, Attie du Plessis, Michael Katz, Dr Eros Mabuza, J Mdlatse, Don Mkhwanazi, Advocate Dikgang Moseke, Lot Ndlovu, Cunningham Ngcukana (of Nactu), Archie Nkonyeni, Marius Smith, Franklin Sonn, P Vundla and A Vahed.

The list of directors of Corporate Africa, Nail's controlling company includes: Humphrey Borkum, Mervyn King, P Gama, Dr E Kruger, G Pite.

On the board of directors of Real Africa Holdings are: Don Ncube, Mohammed Ahmed, Parthabsing Bodasing, Johnny Copelyn (of Cosatu), Leonard Fine, Kofi Fordwor, Stephen Japp, Jehro Mbau and Sharns Paher.

Real Africa Holdings is controlled through Real Africa Investments which has a 51 percent stake. The biggest single shareholder in Rail is Rand Africa Holdings with a 28,5 percent stake. Jehro Mbau and Don Ncube are directors in RAF.

A consortium of black business peo-



Oscar Dhlomo



Eros Mabuza



Eric Molobi

ple headed by Dr Oscar Dhlomo and Absa Merchant Bank launched Dynamo Investments in May 1995 to create an investment fund. The consortium had secured R100 million and was planning to raise another R100 million from institutional investors and members of the public. The fund's aim is to acquire either significant minority shareholdings or joint control in high-growth businesses which need a strong partner.

An objective will be to ensure the advancement of blacks but the founding directors stress this will always be driven by sound business principles.

The directors are: Dr Dhlomo (chairman), Don Mkhwanazi, Sizwe Nxasana, Umesh Misra, Tony Ardington and Gibson Thula. Absa is represented by Jean Brown and Dannie Brits.

Thebe Investments — established in 1992 — is one of the earlier empowerment companies. It is ostensibly controlled by the ANC-aligned Batho-Batho Trust. Initially, links with senior figures in the ANC (including Nelson Mandela and Walter Sisulu) were publicly flaunted, but following criticism that this connection was being used to put pressure on white business to do deals with Thebe, Mandela distanced himself and attempted to distance the ANC.

Lack of accountability and transparency are frequent charges brought against Thebe, which tends to hide behind its trust status and correctly argues that as a private company it is not required to provide information. As with most other groups, media coverage

Opportunism or entrepreneurial flair? The sprouting of black economic empowerment companies throughout the country probably reflects, in varying degrees, a combination of cynical opportunism and a genuine desire to provide — at a price — something that is in short supply in the South African economy.

An adviser to one empowerment company explains: "At the time that we were first looking at establishing a company 24 months ago, our motivation was that a lot of foreign companies that had divested during the apartheid years were now considering moving back into South Africa. Unless black business got its act together, those foreign companies would get into bed with white business and blacks would lose out."

There is a heightened urgency given the current climate abuzz with talk of unbundling, privatisation and government tenders.

In many cases it is unclear what the players are bringing to the party other than blackness and/or political connections. With regard to the JCI unbundling opportunities, Anglo has stated that anybody interested in getting a slice of the action must have committed some funds.

In the rush to fill the gap it is inevitable that some of the empowerment companies so hastily put together will, as quickly, come apart.

The following is the first part of a list of the new companies and groupings that have succeeded in getting some media exposure. It is far from comprehensive: In addition, it seems likely that a number of those mentioned may already have disappeared. It is also likely that some of the individuals associated at the initial phase may have moved



Oscar Dhlomo



Eros Mabuza



Eric Molobi

The company's driving force is Vusi Khanyile, who worked as an adviser to the ANC for some years. Today it has a wide spread of interests including stakes in Citizen Bank, Msele Hosken, Alliance Airline and SA Express. It is also involved in the computer industry, in property and insurance as well as entertainment and leisure. On the leisure front it has a holding in Ster-Moribo which is a joint venture between Ster-Kinokor and a number of black business people. It is also part of Sun International's African Sun consortium.

Despite the extensive list of interests, it is impossible to find out who is providing the finance and how. Thebe's involvement is structured. Indications are that some of the stakes it picks up are in exchange for "black economic empowerment expertise" it brings to deals.

Lack of accountability and transparency are frequent charges brought against Thebe, which tends to hide behind its trust status and correctly argues that as a private company it is not required to provide information. As with most other groups, media coverage

has tended to be uncritical on this score. Msele Finance is the finance and investment arm of Thebe. Set up in July 1994 with the objective of accelerating black participation in South Africa's mainstream corporate business world, it is headed by Litha Nynonyha. It was recently involved in establishing Msele NedVentures with Nedbank and other parties.

Kagiso Trust is a R500 million aid organisation primarily funded by the European Union and headed by Eric Molobi.

It is involved in 400 community development projects. More than two years ago it set up Kagiso Trust Investments with an eye to replacing European Union funding with internal sources. Its interests are partnership ventures in educational publishing and food services.

It recently acquired a stake in building materials group Bournat. MD of Kagiso Trust Investment is Johnson Njeke. The directors include Molobi, Fant Titi and Hyllton Appelbaum.

□ To be concluded tomorrow

Sun's partnership bids an indic

One way of identifying black economic empowerment groups would be to get hold of the list of companies that Sun International has approached to join its casino licence consortium. It might not give 100 percent of the names, but judging by the number of players who have acknowledged some form of approach from Sun International, it would be pretty close to exhaustive.

Sun International has been successful in bringing on some of the big names such as Thebe and Khulani Holdings for its national-based bid for casino licences; it has also approached companies of all sizes operating at provincial level. Oscar Dhlomo's Durban-based Dynamo Investments is believed to be one of Sun International's regional partners.

Reports that KwaZulu Natal-based Free Africa Investments has been approached to join Sun International as a regional partner no doubt caused considerable embarrassment to Free Africa director advocate Louis Skweyiya.

Skweyiya recently completed a report on corruption in the former-Bophuthatswana government. It was a fairly damning indictment of former president Lucas Mangope. Rightly or wrongly, in most people's minds it is difficult to separate Mangope and the management of the Bophuthatswana economy from Sun City and the management of Sun International. It seems Skweyiya, who is an acting judge until December 15, has not participated in discussions between Free Africa and Sun International.

Free Africa is headed by Aubrey Mokoate, a former vice-president of Azapo.

Merchant and Investment Bank Africa (Miba) was set up in March last year with R61 million equity capital and planned to raise up to R40 million more in secondary capital from local institutions. It claimed it was the first black merchant and investment bank. It is headed by Liberian-born Ethelbert Cooper and its directors include Tim Wood as chief executive, Don Mkhwanazi, Wiseman Nkuhlu, and Melyn Antonie. After an initial flurry nothing was heard from Miba for over a year. There are now

reports that it may re-emerge as the National Empowerment Trust.

Capital Alliance was established in March this year. It is 51 percent controlled by black business interests, the remainder is held jointly by Rand Merchant Bank and McCarthy Retail which are believed to have provided considerable operational capital.

Mzi Khumalo is the chief executive and was joined early this year by eight members of the Norwich Life investment team. With funds and expertise, Capital is a force to be reckoned with.

Tsogo Sun is the consortium put together by Southern Sun to bid for casino licences. Its chief executive is Jabu Mabuza who is a director for South African Breweries. It claims to include representatives from black business and Nactu.

Renaissance comprises Champion, which is a Soweto-based retailers group, and Monitor, an American-based consulting group. Early last year, Rand Merchant Bank and London-based brokers Smith New Court, which has tied up with Davis Borkum Hare, got together with Renaissance to develop the Renaissance Fund, a closed-end investment trust vehicle which would raise about R300 million to R500 million in South Africa, the United States and Europe.

This money would then be used to acquire assets from companies seeking partnerships with black entrepreneurs or prepared to sell non-core operations in empowerment exercises.

The plan was aborted when it appeared that potential funders were not sufficiently enthusiastic. To date, it seems Renaissance has only done a deal with Samancor.

Sub-Saharan Investments was set up in March last year when a partnership was formed with Teljoy and a number of black businessmen, including Richard Maponya, Gaby Magomola, Eric Mafuna and Jackie Mphafudi. The Teljoy partnership, known as Afrilink, had initial capital of R1 million.

Nasasa Investment Holding Company was set up to take a stake in Real Africa Investments. It was born out of the National Association of Stokvels Of South



BY ANN CROTTY

This, the third of a three-part series, looks at the big names in economic empowerment

Africa (Nasasa) which claims to represent 11 500 stokvels although it is difficult to get a handle on its real support. With First National Bank and the Board of Executors, it launched the Peoples Benefit Income Fund. More recently, it was involved in establishing a new television programme with niche television specialist CTN Television.

African Renaissance Holding (ARH) was established in late 1993 with an impressive line-up.

A comparatively small amount of initial capital was invested by shareholders but not sufficient to effect any significant transactions.

McCaps Motimele, an advocate of the Supreme Court and a director of Armscor, is the chairman.

The list of directors include Seths Phalatse, Israel Nkosana, Jabu Mabuza and Lot Ndlovu. Nkuhlu was one of the initial shareholders.

ARH was tipped as one of the contenders for the JCI mining assets. A few months ago, it entered into a joint venture with Camac Holdings of the United States, which specialises in trade with sub-Saharan Africa.

Since then there has been no mention of ARH in the media.

Worldwide Africa was launched in March this year under the direction of Nkuhlu. Its objective is to take equity stakes in businesses where it feels it can add value. Management is headed by Pentuma Nleko.

Worldwide Africa is one of the partners in the AfricOil joint venture which also involves Caltex, First Corp and Bongani Motor Holdings.

SA Investment Corporation is a black-controlled company involving Mkhwanazi, it was set up in January last year to assume control of Prima Bank.

Mnyama is a Western Cape-based operation, established by Khayelitsha businessmen. Its chairman is Sam Dube and Peter Jones is the managing director. Each four-

dation shareholder is required to contribute a minimum of R1 000.

Ingwe Investments is based in the Eastern Cape and headed by Fezile Williams.

Siphumelek Investments is based in the Western Cape and headed by Sam Montsi. It has interests in property and fishing.

Corrective Action for Democratic Empowerment is a Western Cape-based company. Ebrahim Bhorat is the chairman.

Nafcoc Investment Holding is headed by Mashuda Ramano and assisted by lawyer Patrice Motsepe. It was established to acquire stakes in unbundling and privatisation initiatives.

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Mkhwebane



Lucas Mangope



Wiseman Nkuhlu



Mzi Khumalo



Richard Maponya

plan was that Nafcoc mem-
ould invest in the holding
ny which would then buy
in these initiatives.

was entered into a gaming
ship with Southern Sun. It
re of the many players that
bid for African Bank which
emed ambitious by many in
ck community who felt that
s management expertise
nding was a little too thin to
ched over Afbank.

A Durban-based Nafcoc affili-
ate has apparently established its
own investment company and is
looking at joining Sun Internation-
al's consortium.

Ukhozi Investments this is a
Western Cape-based company
whose chief executive is Lizo
Ngcokoto.

To date, its published deals
have involved the acquisition of
500 000 Plessey shares and a small
deal with Nissan.

It is believed to be involved
with Sun International.

On the labour front, there are a
number of trade unions which
believe the old adversarial relation-
ship between labour and capital
should not get in the way of attrac-
tive profit-generating schemes.

The South African Clothing and
Textile Workers' Union (Sactwu)
has investments in MTN, Oceana
Fishing and Rail.

NUM has set up the Minework-

ers Investments Company.

In both instances, while benefits
to members are insubstantial to
date, many key players appear to
have benefited handsomely.

Like businesses anywhere,
some of the new empowerment
companies will survive and thrive
and some will disappear.

Over time, a keener reliance on
business skills and reduced
reliance on political connections is
likely to provide the edge.

Affirmative action too soon for some

(176) ST(BT) 5/11/95

By SVEN LUNSCHE

CRIME, labour unrest and a poor investment climate have put at least one business leader at odds with the ANC's sentiments on affirmative action.

"How can a country with a lack of skills allow what we have to be lost through early retirement, emigration and by rushing blindly into affirmative action," Marinus Daling, chairman of Santam, asked the recent 50th Afrikaanse Handelsinstituut conference.

"It is impossible to create new skills overnight by getting rid of existing ones. There must be a healthy development of new skills and recognition of existing ones," Mr Daling said.

His speech was given on the same day as Cheryl Carolus, the ANC's deputy secretary-general, expressed her disappointment with the slow progress of affirmative action in the private sector.

Speaking at an Institute of Personnel Management function, Ms Carolus said affirmative action initiatives had slowed down since last year's election and that the business sector "was moving back towards old comfort zones".

She said "serious racist overtones" stood in the

way of affirmative action's implementation.

"It irks me to find a concentration of black managers in personnel, human resource development and community liaison, at the interfaces with the public.

"One can assume it provides a comfortable buffer between the real interests of the company and the constituency seeking to challenge corporate culture," Ms Carolus said.

In his address, Mr Daling said the government was seeking economic solutions "in direct conflict with what is happening in the rest of the world".

"We persist with high taxes, exchange control, undisciplined and illegal strikes, senseless crime and violence, unrealistic wage demands and an apparently fatalistic acceptance of the wholesale loss of expertise."

Mr Daling also hit out at trade unions for failing to respect agreements and dismissed the notion that South Africa had low labour costs. "The average wage of a factory worker is up to 10 times higher than those of many countries in south-east Asia."

Experts to give help

Adrienne Giliomee

GAUTENG premier Tokyo Sexwale is calling in private sector experts in a move to upgrade the provincial government's operating systems.

Confirming reports last week, Gauteng economic affairs and finance MEC Jabu Moleketi said the accountants and auditors would scrutinise the government's books and advise on projects.

Several firms — including Coopers & Lybrand, Deloitte & Touche and Ernst & Young — had volunteered giving their services free.

A task force would meet later this month to draw up its strategy and identify priorities.

Sexwale is reported to have pushed for the initiative so that foreign investors would feel confident any money they invested in the region would be strictly monitored.

Farmers and farm workers make deal

BD 6/11/95 (176)

Louise Cook

FARMERS and farm workers in Mpumalanga have brokered a deal that it was hoped would ease tension caused by evictions on farms, Transvaal Agriculture Union regional chairman Boet van Rensburg said at the weekend.

The groups agreed at a meeting chaired by Mpumalanga premier Matthews Phosa that farmers would stop all evictions from farms over the next three months and that workers would not strike or embark on go-slow action during that time.

Van Rensburg said problems occurred when labour tenants — workers who used part of the farm for their own account in return for their services — were told that they no longer needed to stick to work agreements.

Van Rensburg said they had been told this by the Farm Workers' Research and Resource Project in Johannesburg, but the organisation was not available for comment.

He said when labour tenants stopped turning up for work, farmers resorted to evictions, which had caused tension, he said.

But the opposing groups agreed at the meeting that workers would return and work productively. They would not be put off the land by the owner.

However, Van Rensburg said, in terms of the deal farmers would have the right to evict squatters. Squatting was occasionally a problem on farms situated near towns.

Attempts to dodge the traditional pound system was another problem that had started recently on farms in the vicinity of the former homelands. The system provided for stray cattle to be impounded if found on a farm.

Van Rensburg said farmers from the former homelands were deliberately chasing their cattle onto farms where grazing was more plentiful. But problems had occurred recently when attempts were made to impound the stray animals, he said.

Meanwhile, the SA Agriculture Union has set up a security committee to deal with crime on farms.

A union spokesman said the committee would assist the police in fighting crime. An increase in theft had forced farmers to be more alert, the farmers' union spokesman said.

Affirmative action challenge to Durban

BD 6/11/95 (176)

Nicola Jenvey

DURBAN — Public Works Minister Jeff Radebe has challenged Durban's metropolitan mayor Siphon Ngwenya and central district mayor Johannes Mile to promote black economic empowerment by the restructuring of Durban's tender system.

Addressing the Black Management Forum annual awards dinner at the weekend, Radebe said both mayors acknowledged the vital role blacks had to play in the new SA and — with a city budget

which rivalled that of many smaller developing African nations — Ngwenya and Mile could use their power to promote black economic empowerment.

Radebe cited the Atlanta example, whereby in 1974 less than 1% of public tenders were awarded to companies owned by minorities or women.

However, a mayoral decision dictated these groups received 25% of public tenders as a bid to promote their participation in public sector business. This was later extended to 35%.

"Today Atlanta is at the forefront of American affirmative action and its policies have been copied elsewhere in the US ... black economic empowerment is not only a dream but a reality."

Radebe said he believed it was possible for Durban to take this initiative and place itself at the forefront of affirmative action policies in SA in the same way.

It would also be one way of appeasing voters who had not had an opportunity to participate in the national local government elections last Wednesday.

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Star 7/11/95
SABC goes
'affirmative'
on tenders

~~Star~~ (176)
STAFF REPORTER

Blacks and women involved in business dealings with the SABC are to be the beneficiaries of the new tendering policy at the SABC, according to a recent board decision.

However, the tenders will still have to fulfill certain minimum requirements.

The decision is reported in the latest edition of the internal magazine, Intercom.

Those that submit tenders will have to supply information on their own policies of affirmative action regarding ownership, control and decision-making in their businesses, as well as progress on their own involvement in the Government's Reconstruction and Development Programme.

A committee is likely to be formed this week in order to consider tenders, but those on the committee who have an interest in any specific dealings will have to recuse themselves.

Advertisements inviting tenders must be published to specifically include tenders that benefit marginalised groups in the province where that tender originates.

'Time for new councils to restructure'

BISHO. — With democratic local councils finally in place, affirmative action programmes had to be vigorously pursued to restructure formerly all-white municipalities, Eastern Cape Local Government and Housing Minister Max Mamase said.

"I'm hoping that by June

next year there will have been a significant change in the administrative structuring of towns," Mr Mamase said. (176)

Restructuring should be coupled with capacity-building and training programmes.

In Port Elizabeth, it had been agreed to begin an under-

study programme, which would lead to deputy directors being drawn from black, coloured and Asian candidates, he said.

Mr Mamase said legislation governing town clerks in former Cape Provincial Administration areas, which specified they had to be white, should be amended urgently. — Sapa.

ARG 7/11/95

Good workers need specialised training

(176) Sowetan 8/11/95

By Abdul Milazi
Labour Reporter

COMPANIES that spend large sums on general training as part of affirmative action, are wasting their time and money, says Charter Corporate Training managing director Ms Jenny Huggett.

Huggett told *Sowetan* that unless companies adopted a holistic approach to training and made funds available to follow this through, South Africa would not become globally competitive.

"What we lack is a competent, productive workforce. The solution is to create conditions in which training enables employees to accomplish their own professional and the organisation's objectives

effectively," Huggett says.

Huggett said training large groups of employees with the same off-the-shelf course material in an attempt to upgrade their organisational and professional skills did not work.

"No two people in an organisation have the same level of knowledge, skills and experience. For training to be effective, each individual must be assessed to determine the gaps in their abilities and then placed on a training programme which meets their career, educational and personal development needs. Unless training is linked to the work environment and the individual is encouraged to implement the skills learnt, it will not lead to improved performance," said Huggett.

Plan to transform Asmal's ministry

Star 14/11/95 (17b)
By JOVIAL RANTAO
Political Reporter

Water Affairs and Forestry Minister Professor Kader Asmal today unveils a multi-million rand pioneer plan to transform his department, through an extensive programme to train and promote employees who were discriminated against be-

cause of their sex or colour. Entitled the Employment Equity Policy (EEP), the programme will serve as a guideline to the promotion of departmental employees and the implementation of affirmative action.

Water affairs ministry spokesman Themba Khumalo said the document was the culmination of a year-

long deliberation by management through wide consultation with employees and the advice of academics.

He said employees would be sent to adult education centres. Those considered to be suitable for their positions would stand a good chance of receiving further training and subsequent promotion.

Caltex worker to appear at hearing

THE affirmative action controversy at oil multinational Caltex reaches a decisive stage tomorrow when a disciplinary hearing is held into the conduct of an employee at the centre of a row. (176) (183)

Last month Mr Zimele Ndlela caused a stir when he sent an electronic message on company computers denouncing its alleged lack of progress on affirmative action.

Caltex media manager Mr Tony O'Donovan confirmed the action against Mr Ndlela. — Staff Reporter

CT 14/11/95

Race development gulf cuts deep in SA

BD 14/11/95

(176)

Renee Grawitzky

A DISTORTION in the development of human resources between black and white South Africans has resulted in "white SA" being listed within the top 40 countries in terms of human resource development while "black SA" is listed 128th just behind Swaziland.

Speaking at a briefing of the UN Development Programme (UNDP) on the Human Development Report 1995, the organisation's resident representative David Whaley said that although SA was rated the 80th richest nation, it measured 95th out of 174 nations in terms of human resource development.

He said that one of the legacies of the apartheid system was SA's inability to translate wealth into human resource development.

UNDP Bureau for Africa assistant administrator and regional director Ellen Johnson Sirleaf said the report — to be launched in Africa today — focused on human development and it covered issues such as people's access to health, education and empowerment. It also stressed the "development of the people, for the people and by the people".

This year, she said, the report focused particularly on an additional dimension — the status of women. She said this would be measured by evaluating gender imbalances in basic health, education and income and eval-

uating a country's progress in advancing women at a political and economic level. She said gender empowerment was measured in terms of access to power either within corporations or government or access to means of production. She said that generally in Africa women had poor if any access to skills, education or to obtaining credit.

The report, which listed a number of gender disparities, said that women still constituted 70% of the world's poor and two-thirds of the world's illiterates. They also occupied only 14% of managerial and administrative positions, 10% of parliamentary seats and 6% of cabinet positions.

In SA, women had achieved a higher level of empowerment or access to political power than many other countries, with a quarter of seats in parliament being occupied by women. However, empowerment in the formal economy was not as high, with a 41% participation rate of women in the formal economy.

Whaley said the UNDP was assisting in the political, social and economic empowerment of women in SA.

This was being achieved through the training of women elected as councillors in local or central government. He said they were also co-operating with the reconstruction and development office to ensure co-operation and interaction between local government and community structures.

Affirmative action plan

The Department of Water Affairs and Forestry yesterday unveiled its affirmative action programme which seeks to provide development and promotion opportunities, in the form of corrective measures, for "previously excluded persons".

The ministry assured civil servants that the policy would follow current Public Service Commission grades and job descriptions. - Political Reporter.

(176) Nov 15/11/95

Asmal's new job policy

(17b) CT 15/11/95

PRETORIA: A new employment equity policy was announced by the Department of Water Affairs and Forestry yesterday.

It includes several initiatives intended to encourage the employment and promotion of persons once discriminated against because of their group identity.

The policy was announced by Water Affairs and Forestry Minister Mr Kader Asmal in Pretoria.

He said the policy was not meant to threaten anyone, but to provide an orderly way to restructure the department.

The policy provides for unqualified people who previously would not have been considered for certain positions, to be appointed for short terms while being trained.

It provides for a recruitment programme that will target persons once discriminated against. Provision is made for the introduction of new bursary schemes and the reallocation of existing bursaries.

Too much emphasis was being put on qualifications while many competent people with ample experience were being overlooked for promotions, he said. — Sapa

Job-hopping cuts into SA's corporate skills

BY AUDREY D'ANGELO

Cape Town — The shortage of skills in South Africa is exacerbated by companies enticing able black executives away from one another, while whites leave the country for fear that affirmative action will hamper their careers, a leading consultant said yesterday.

Martin Westcott, managing director of PE Corporate Services, said there was no doubt that some companies were giving preference to black job candidates in order to reach their affirmative action targets. He also said that, because of a shortage of well-qualified blacks, some were going from job to job in response to offers of better packages.

Westcott said that 71 percent of companies surveyed were carrying out recruitment strategies based on affirmative action compared with 15 percent who were not.

The survey said 31 percent of companies surveyed had set quotas of black managers to fill positions occupied by whites within a defined period, and 25 percent had set such targets for black supervisors.

More than 50 percent had a dedicated budget for affirmative action, 22 percent had appointed a director to be in charge of their affirmative action programme and 49 percent had appointed a dedicated director or line manager to "drive" the programme.

Management and skills development programmes for black managers and supervisors had been started by 76 percent of companies and 82 percent were offering literacy training to black employees.

Discussing salary trends for the

coming year, Westcott said there were two camps: those companies which were expecting inflation to stay low and which were offering increases of between 8 percent and 10 percent; and those which expected it to rise and were offering increases of between 10 percent and 12 percent. Numbers in both camps were more or less equal.

Because of the shortage of skills, companies were prepared to offer increases above the inflation rate for fear of losing staff.

The acute shortage of executive skills was one reason why executive salary increases had averaged slightly higher percentages than general staff increases over 21 years.

Westcott said South African executives were relatively poorly remunerated compared with their counterparts elsewhere in the world. On a scale of 0 to 500, executives in the United States had the highest score with net disposable income of 450 compared with 200 in Britain, 160 in France and 130 in Germany. South Africans were level with

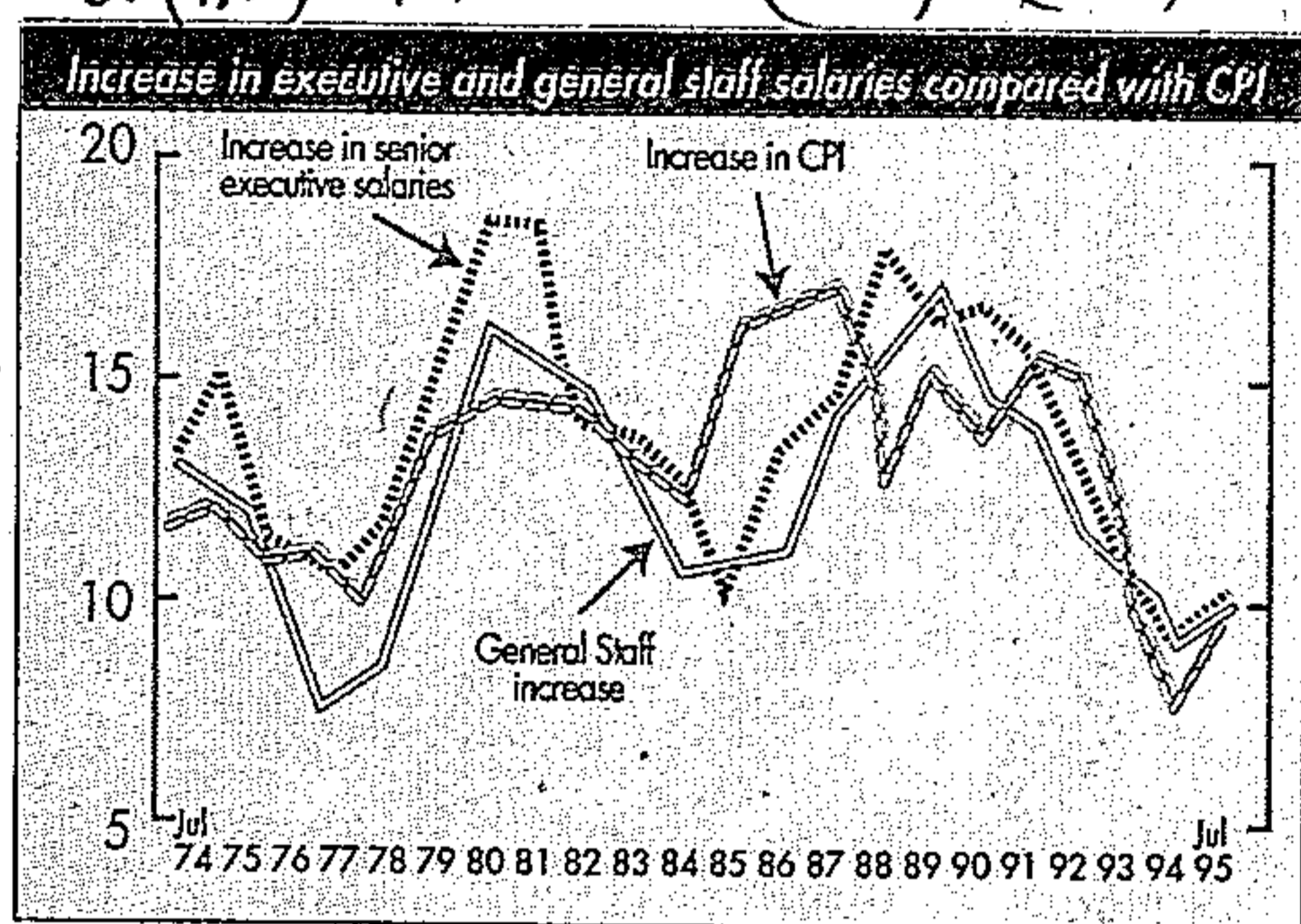
Australians at 100 and ahead of Belgium with 45 and the Netherlands with 40.

Westcott said South Africa's readmission to the international community was a two-edged sword. Although it opened new markets, "global organisations threaten to capture substantial shares of previously protected domestic markets held solely by South African organisations.

Westcott said industries would find themselves at war with new, powerful competitors intent on taking them out.

"Survival will depend on our ability to become competitive, vastly more productive with a quantum improvement in customer service standards and freed of bureaucratic controls, unattractive tax structures and other disincentives to potential investors.

"We need to develop an export culture and compete for our share of world markets. We can only begin to think about it once the above issues have been addressed."



Caltex worker quits hearing

THE worker at the centre of the affirmative action dispute at oil giant Caltex resigned yesterday in the midst of a disciplinary hearing.

Mr Zimela Ndlela, an analyst programmer, said he walked out even before a second charge against him could be heard.

"I saw that the whole system was stacked against me. The same people I had accused of racism and of hindering affirmative action were the very ones who were sitting in judgment of me," he said.

(176) (183)
Staff Reporter, Sapa

CT 16/11/95

BUSINESS

Unity key for BME

By Isaac Moledi

UNITY AND ECONOMIC LIBERATION in black business are among the key issues that will be debated when the Black Management Forum (BMF) holds its annual conference in Kempton Park next week.

The two-day conference, to be held at the World Trade Centre from November 24, will enable black business and professionals to evaluate their achievement and where they have gone wrong this year.

"In this conference, BMF will debate and assess means and ways to enable black business and professionals to unite and achieve economic liberation. The objective is to collectively seek strategies to get it right," says BMF managing director Mr Bheki Sibiya.

Among those who will tackle some of the key issues will be Public Enterprises

Black Management Forum puts economic empowerment on agenda

Minister Ms Stella Sigcau, who will talk about the government's plans to privatise state enterprises with the objective of empowering the black people.

Labour Minister Mr Tlo Mboweni will talk about the transformation within the labour market while Public Service Minister Mr Zola Skweyiya will address the Sunset Clause and its implications on the implementation of affirmative action.

Speakers

Black and white business will also be well represented: Speakers will include former African Bank's chairman Mr Sam Mofu-senyane, Nafcoc president Joe Hlongane, Foundation for African Business

and Consumer services' president Sam Tuntubele, South African Chamber of Business' director general Raymond Parsons and Ernst & Young national director Julian Nagy.

Others include Gauteng Premier Tokyo Sexwale, MP and Pan Africanist Congress member Patricia de Lille, Democratic Party leader Tony Leon, New Age Beverages chief executive Khehla Mthembu, Transnet managing director Dr Anton Moolman, senior BMF executive members, union and business professors. President Nelson Mandela will be presented with the BMF Extraordinary Leadership Award.

*(176) Kauselan
16/11/95*



Khehla Mthembu is among the conference speakers.

Public must write black power

(176)

Enos Banda

THE restructuring of state-owned enterprises is expected to accomplish various objectives, one of which is the empowerment of black South Africans. Given the importance of black empowerment as a tool for political equity, one would expect serious public debate on how the restructuring of these enterprises could accomplish this objective.

However, "black empowerment" has become merely the convenient salt-and-pepper of the eager chefs of privatisation — who sprinkle the phrase about in a push for the suitable reconstruction and development flavour.

But the process of achieving black empowerment through the restructuring of state enterprises is an issue which must be forged in the crucible of public debate. The interests of all citizens will be affected by the outcome.

Also, it is important that government and the public be openly informed about the economic and social effects of apartheid by those affected.

This may lead to the identification of those effects which are susceptible to redress through privatisation.

There are three opportunities for empowerment through privatisation.

The first is in the hiring of professional advisers — lawyers, accountants, merchant bankers — who would advise the government on the transfer of control or ownership from the state into private hands.

The government has already suggested that as part of the process of black empowerment, the participation of black advisers be an integral component in the appointment of advisers.

The second opportunity for effecting black empowerment is presented in the determination of who may be the ultimate purchasers or holders of interests in privatised enterprises.

Examples abound of how governments have used privatisation to equalise economic imbalances among political or ethnic groups, or to "democratise ownership" of capital.

For instance, in its initial privatisation plan, the Malaysian government ruled that a significant portion (30%) of equity interests in state enterprises could only be purchased by the economically marginalised Bumiputeras. In a different context, adult Czechs were given coupons by their government which could be converted into six shares of ownership in a privatised, formerly state-owned, enterprise of their choice.

This programme sought to implement popular ownership of capital in an economy where ownership of property was confined to the state.

The third opportunity for effecting black empowerment is by implementing the privatisation process in a manner that increases its indirect but determinable effects to the benefit of marginalised communities.

These effects are, for example, the

creation of new jobs, increased efficiencies in the delivery of services, access to capital and increased competition through reduction of other barriers to entry and, in general, the creation of other catalysts for economic growth.

The three opportunities which the privatisation process makes available as tools for black empowerment will have varying levels of efficacy in scope and over time. Thus, the issues for consideration are the breadth of empowerment which can be accomplished, as well as the time frames for doing so.

For a programme of black empowerment to be effective, it must encompass the greatest possible number of black South Africans, whether this is accomplished through direct or indirect catalysts. The opportunity presented by the appointment of privatisation advisers should include, to the greatest extent possible, a significant number of black professionals, chosen on the basis of potential and merit.

The obvious consequence of involving significant numbers of black professionals in advisory roles is that, first, the government would have access to diverse opinions and advice, representative of a broader spectrum of the rainbow nation.

Second, to the extent that there is a peculiar professional expertise to be gained from the privatisation process, the expertise would be available to a broader spectrum of black professionals who would in turn make it available to a wider spectrum of clients.

The second opportunity of privatisation — government's ability to choose the purchasers of privatised enterprises and functions — is subject to numerous factors which may affect the viability of any programme.

A privatisation programme which, Malaysia-style, sets aside a portion of equity for ownership by black South Africans must address the reality that few black South Africans have access to capital to purchase equity interests.

Without stringent regulation and policing of purchasers, as well as mass availability of credit, it will not work.

A programme of coupons based on the Czech model has the advantage of being politically less problematic. All adult citizens would own a piece of the state-privatised enterprises. However, as a tool of black empowerment, the programme presents several problems.

The general level of poverty and lack of shareholder sophistication can have several consequences. First, the poverty factor may drive significant proportions of the black community to sell their nominal shares in order to meet immediate economic needs.

The lack of shareholder sophistication may, without effective regulations and policing by government, give rise to fraud and dissipation of control by black communities and groups.

In general, both programmes presuppose the existence of social and economic conditions currently not abun-

dant in SA. Indeed the extent to which these programmes may be implemented will be affected by realities upon which the "marketability" of a privatisation process depends.

For instance, government may find that few essential investor or technology partners are willing to participate in a privatisation programme which has unclear ownership due to the potential transaction costs of consolidating effective ownership and control.

Despite these factors, both types of programmes offer possible solutions to the skewed economic distribution of wealth. The factors are merely subjects for consideration which are susceptible to solutions.

The final opportunity offered by privatisation, which comprises the indirect but determinable effects of privatisation, is perhaps the most viable option for black empowerment. This opportunity can enable the government to obviate the political and logistical volatility of a programme of entitlements through coupons and set-aside ownership, without necessarily forsaking black empowerment.

For instance, the government could use privatisation as a vehicle for the introduction of a regulatory framework in which competition in various industries is encouraged, thus lowering barriers to entry for previously disadvan-

taged people. Secondly, the spinning off of government functions, such as office services, can be designed so as to create employment in disadvantaged communities.

Thirdly, the government can make available "soft" capital to encourage participation in entrepreneurial activities by disadvantaged people.

Fourth, the government could require that as part of a purchase, by anyone, of particular enterprises such as Telkom or Eskom, essential services may be made available in disadvantaged communities. Fifth, the government could continue to require that, for a limited but significant lead period, certain contracts of service by privatised entities include an element of black participation and empowerment.

This final opportunity is the most viable of the three for several reasons: transaction costs will be lower when compared to a coupon or set-aside option; the government will not be required to police against fraud as may be necessary in a mass ownership programme; and most importantly, the indirect effects of job creation and so on can be distributed over a broader base of people and may be sustained longer.

□ The author, a lawyer, is based in the Johannesburg office of US law firm White & Case.

190/16/11/1985
RECIPE

Affirmative action message given

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(176)
□ *Legislative route a possibility*

CLIVE SAWYER
Political Correspondent

THE government is reluctant to use its constitutional right to force the private sector to implement affirmative action — but the possibility of intervention cannot be ruled out.

This was the message from MPs from the African National Congress and the National Party to a delegation from the American Bar Association visiting South Africa.

ANC MP Johnny de Lange said the constitution allowed the government to pass legislation to intervene in the private sector and enforce affirmative action.

"But we do not want to jump in boots and all," he said.

Deputy Speaker Bhadra Ranchod, a National Party member, said the government should not over-regulate.

It was in companies' self-interest to change.

Eighteen months after last year's elections, some of South Africa's big-

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gest companies had not yet changed and would have to be encouraged to do so, Dr Ranchod said.

"There is no way that at the end of 1999 we will accept a situation where there has been no significant change in the economic field."

Justice Minister Dullah Omar, ANC, said his party did not believe in an unbridled free market, but also did not believe that entrepreneurship should be impeded.

Legislation could be needed to ensure black people took their rightful place in the economy.

"We are not shy to ask parliament to pass the appropriate legislation."

The trade union movement, through collective bargaining, could negotiate for development of the workforce.

Mr Omar said the government had had a "a great deal of co-operation from the private sector" and that a good relationship had been built up.

But: "We will have to ensure that the private sector falls into line."

Racism 'must be faced head-on'

(176)

AFFIRMATIVE action must be aligned with "affirmative change" or it will fail, says the director of Nampak Management Services, Lovemore Mbigi.

"We do not have many black managers because of racism. Unless we deal with that issue, newly appointed black managers will not be able to function effectively within the company. Most companies are still avoiding this issue," he says.



LOVEMORE MBIGI
BD 17/11/95
to put the issue of racism on the table and deal with it.

The challenge facing management is to build an organisational climate designed to achieve political, racial, tribal and cultural tolerance. And the starting point, says Mbigi, is for the organisation to acknowledge publicly that it is experiencing the effects of racism.

"It is vital to start where people are at, and progress from there," he says.

The next step is for employees at every level, led by management,

To avoid dealing with this issue, companies tend to focus instead on issues such as cost reduction, quality programmes and pro-

ductivity. "Such programmes will not do more than help SA catch up."

"They cannot win us a competitive advantage. If we want more than competitive parity we must rewrite the competitive rules, and do things with the stakeholders in a company that have not been done before," he says.

"Studies show 20% of competitive advantage arises out of knowledge of the industry, 40% out of technology, and the balance is from the way the company manages its people."

Mbigi says traditional African culture can make a powerful contribution to corporate health. "Africa's genius is people management. The culture is built around team work. We need to harness this to build corporate teams based on solidarity."

'Prosperity depends on affirmative action'

BD 17/11/95 (176)

BUSINESS must stop screaming about quotas and start setting targets for its affirmative action programmes, says corporate attorney and affirmative action consultant Christine Qunta.

"Business uses the threat of quotas as a red herring. No one in this country is talking in terms of quotas — but there is a demand for businesses to set meaningful targets for affirmative action.

"Ideally, the corporate workforce should reflect the population make-up of the country. Eventually, black people should be in the majority at all levels of business," she says.

"While this is the long-term goal, in the short term companies should set targets in consultation with their black employees. The mechanics for training and other upgrading programmes must be put in place immediately."

Qunta says most companies are doing too little too slowly because the corporate mindset has not kept pace with change.

"Most companies are still in crisis management mode. This is reflected in their affirmative action programmes. They rush out to grab a few people quickly, almost invariably for high profile positions. There is little structured planning behind these appointments," she says.

"Business generally does not see affirmative action as a strategic economic investment. Yet one of the most important contribu-

tors to prosperity in this country is to end the harm done by 200 years of excluding black people from the economy.

"We are facing a probable shortfall of 500 000 skilled people by the turn of the century. If business does not want to be overwhelmed in this way, it must take drastic, but considered, action fast."

She objects to the argument that affirmative action pressure prevents employers from choosing "the best person for the job".

"Employers must learn to think of the long term, and choose staff on the basis of their potential as well as their existing qualifications," she says. "A lot of white people are threatened by affirmative action — but the long-term survival of the economy depends on change. It will hurt, but there is no alternative."

Qunta recently conducted a survey among black managers and professionals, who agreed that few companies thought more than a year ahead.

Their efforts are focused on pre-empting legislation and looking good, rather than on introducing fundamental change in their human resources policies.

"Proper human resources management must be tackled in the same way as any other business plan. When restructuring to make a company more profitable, management does not just dive in at the deep end; it analyses the sit-

uation and structures the change over a long period of time."

She says the main block to change exists at middle management level, and it is reinforced by senior management.

"One of the greatest sources of frustration to black professionals is that the implementation of senior management's stated commitment to change is blocked by the middle managers and senior management fails to push through," Qunta says.

The survey also indicated that window dressing was a major, and damaging, problem.

"People are appointed because they are black. They get a lot of money, a fancy office and a BMW but no authority.

"In many cases they are over-qualified. I know of black middle managers with MBAs, but their white colleagues block them from receiving work.

"And where affirmative action appointees lack skills, accelerated training would give black employees the opportunity to work their way up the corporate ladder, following the same path taken by their white colleagues.

"Unless management begins taking affirmative action seriously, the skills this country needs will not be acquired by black people. Whites are a dwindling minority; they could not provide all the skills that are needed, even if it were desirable for them to do so," says Qunta.

Bosses may have to use 'pencil test'

DAVID BREIER

Political Staff

SOUTH Africans will return to the old days of race classification if the government carries out its threat to pass a law to enforce affirmative action or equal opportunity.

Experts say bosses will have to register the race and gender of every employee to prove they give opportunities to previously disadvantaged people.

Similar statistics of race and gender are kept in countries such as the United Kingdom to test whether companies adhere to equal opportunity laws.

This could mean companies having to apply the equivalent of the notorious "pencil test" and other apartheid devices to classify borderline cases where someone's race is not obvious — this time favouring those with black criteria.

In an ironic twist, some whites could "try for black" in a desperate effort to get jobs reserved for "affirmative action" appointments. Under apartheid, many "tried for white".

Statutory race classification was abolished in 1991 when the Population Registration Act was scrapped. But a new law enforcing affirmative action could force employers to use similar means to classify borderline cases.

Roy Silver, Western Cape chairman of the Association of Personnel Service Organisations of SA, said that in a recent Cape Town case, a dark-skinned white woman of Mediterranean origin was accidentally given an affirmative action job reserved for a coloured woman, because of the colour of her skin.

"It created quite a difficult situation. The employer stated she had been employed because of her colour." It was an accidental situation because the woman had never claimed to be coloured, he said.

Mr Silver said that the correct race terminology for employers these days was "African, coloured, Asian and white" — ironically similar terms used during apartheid-style race classification.

"In future there may be an equal opportunity law, in which case companies will have to keep records... If they want to promote certain people in their organisation, how will they know unless they are classified by colour?" he asked. The same would apply to keeping gender records to favour the employment of women.

He said that there was sensitivity between coloured and African people in the Western Cape over who should benefit from affirmative action, because of the population profile.

There might be some advantage for a coloured person to present themselves as African to a company favouring Africans. And it could be an advantage for whites to be seen as coloured in the other companies.

However, he said he was not yet aware of cases of people deliberately "trying for black" to get affirmative action jobs.

He said affirmative action was being strongly

Employers will have to classify their staff by race and gender if the government passes an affirmative action law. (176)

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applied among some large companies as well as government and local government.

As there were still not enough highly-skilled managers of colour, there was now more development of staff within organisations to move people upwards rather than "head-hunting" for outsiders at senior level.

Mr Silver also disclosed that companies were no longer favouring non-South African Africans such as Nigerians and Kenyans who had flocked here to benefit from affirmative action. Companies were now concerned with uplifting South African Africans.

It was standard practice overseas in countries such as the United States, for people to insert their race or ethnic classification when they filled out forms, said University of Cape Town political scientist André du Toit.

The difference was that these self-classifications were voluntary and not prescribed by law as they had been under apartheid, he said.

Professor Du Toit said there had been cases in the United States which ended in court, when whites classified themselves black to get affirmative action jobs. In one famous case, two Italian-Americans classified themselves black to get police jobs reserved for blacks.

The courts may have to decide similar race classification cases here, he said.

South Africa's interim constitution was ambiguous on the question of whether people of a race group could be favoured, he said. The same ambiguous provision is likely to be repeated in the new constitution.

The bill of rights in the interim constitution outlaws "unfair" discrimination on various grounds such as race and gender. But at the same time it allows the advancement of people "disadvantaged by unfair discrimination".

"Sooner or later somebody is going to take it to the Constitutional Court," Professor Du Toit said. The court would have to decide whether the anti-discrimination and pro-affirmative provisions could be balanced.

Professor Du Toit said that in countries such as the United States and UK, affirmative action was tied to minority rights, but in South Africa, this was reversed.

For this reason, some blacks argued there was no need for affirmative action here. All that was needed was equal opportunity.

University of Stellenbosch political scientist Willie Breytenbach said euphemisms such as "historically disadvantaged" people were still used as an informal form of race classification.

South Africa had in effect as much race classification today as there had been under apartheid, Professor Breytenbach said. There was no reference to colour in the constitution, yet it was being applied in a colour-conscious way, he said.

Affirmative action too slow out of its starting blocks

ST 19/11/95 (BT)

(176)

By THABO KOBOKOANE

BLACKS make up less than 4% of senior managers even though recent studies show that an increasing number of organisations are implementing affirmative action policies.

In a survey conducted among 60 major corporations in September, the FSA-Contact Affirmative Action Monitor reported more than 94% were implementing affirmative action.

The survey found the percentage of black senior managers had increased to just over 4% in 1995 and was expected to be around 9% in 1998.

P-E Corporate Services found that 67% of 750 leading companies surveyed had affirmative action in place.

Martin Westcott, managing director of P-E Corporate Services, says a number of organisations have set quotas for the percentage of black employees anticipated in senior and middle management within specific periods.

In spite of these initiatives, however, P-E Corporate found the number of black employees in senior and middle management positions remained low, at 8% and 17% of the total workforce respectively.

Although P-E Corporate expects this to increase by between 20% and 30% respectively within the next three years, the figures are well below the guidelines set by the Black Management Foundation and the National Federated Chamber of Commerce.

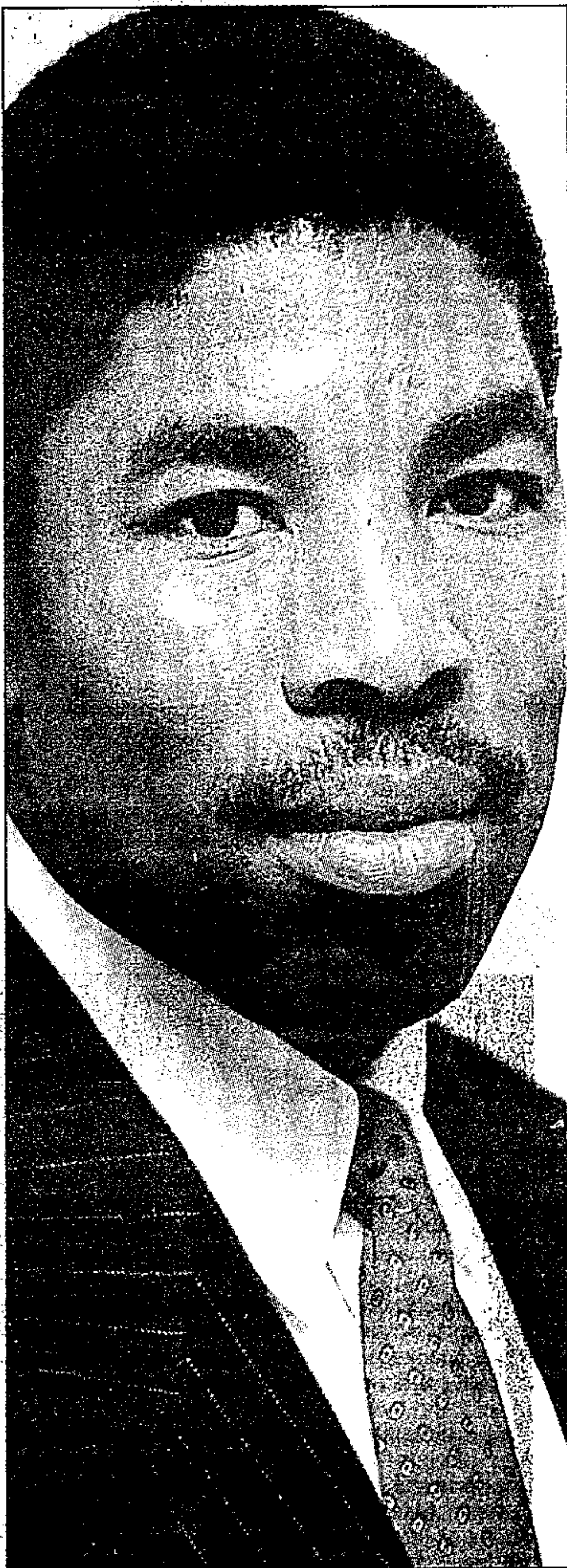
"The pace of implementing affirmative action has been slow, particularly since South Africa's first non-racial elections last year," says Bheki Sibiyi, managing director of the Black Management Foundation.

He says if affirmative action is left to market forces the status quo will continue.

"Business will not change on its own, it has to be pressured."

For this reason government should legislate on affirmative action, irrespective of objections from the business lobby, Mr Sibiyi says.

Since it took power almost 18 months ago, the ANC-led government has been vocal about the need for affirmative action, but quiet on the issue of leg-



BHEKI SIBIYA: Too many are doing too little

islation.

The Department of Labour has set up the Affirmative Action Policy Development Forum, involving major stakeholders. This month it will bring out an interim report on whether to opt for affirmative action policy guidelines or legislation.

"Companies respond to government. If government is lax about affirmative action, then companies too will have a laid-back attitude about the issue.

"And that is precisely what is happening," Mr Sibiyi says.

"Without pressure, whatever it takes, business will not transform itself as fast as it should, but will do so at its own pace."

However, not all agree on the need for affirmative action.

Marinus Daling, chairman of Sankorp, says skills are the cornerstone of increased productivity.

"How can we, as a country with a lack of skills, allow what we have to be lost through ... rushing blindly into affirmative action?"

"It is impossible to create new skills overnight by getting rid of existing ones.

There must be a healthy balance between the development of new skills and giving recognition to existing ones," he says.

These objections are unfounded, Mr Sibiyi says. "White people are rejoicing now that the political transition has brought in business. They wish it had taken place a long time ago.

"By the same token captains of industry will wish affirmative action had happened long ago once it has been implemented effectively."

The shortage of qualified people is a cause for concern, Mr Sibiyi says, in spite of encouraging signs that black people are being put into positions of real power and influence within organisations.

The FSA-Contact survey attributed the slow appointment of blacks to senior and middle management positions to a severe shortage of qualified black people.

As a result companies were prepared to pay above market-related salary premiums to attract skilled black candidates. At least 60% of companies surveyed were recruiting affirmative action candidates.

"A lot of organisations are still poaching, particularly at senior level where the pool of resources is very limited. This certainly helps change the profile of an organisation, but real affirmative action must take place from within through the internal development of staff," Mr Sibiyi says.

Affirmative action should be seen to be helping general workers to improve their skills to the level of management. "That is affirmative action," he says.

Mr Sibiyi says skills development within organisations is very important. SA corporations currently spend only 1,9% of their payrolls on training and development in a country where functional illiteracy is above 60%.

In other countries between 4% and 7% of payroll is spent on education and training, he says.

For this reason, legislation setting out how much companies should be spending on training and development is necessary.

If legislation does not work, he suggests setting up a skills development fund administered by the Ministry of Finance.

Big deals afoot as business networks with the Afristocracy

ET 21/11/95 (176)

BY DUMA GOUBULE

I should have guessed that another black empowerment deal was on the cards a few weeks ago, when I saw Altron chairman Bill Venter in a shebeen — of all places. Mama's in Rosebank, Johannesburg where you can meet the heavyweights in black business and politics — the Afristocracy.

A few weeks later, Telkom announced a short-list of five consortiums that would be considered for its Megaline contract for 3 million phones.

The contenders were: Siemens and Eric Molobi's Kagiso Trust Investments, Ericsson and Wiseman Nkuhlu's Worldwide African Investments, AT&T and !Khoisan X's outfit, Bell and Ntatho Motlana's Nail, and Altron subsidiary Altech and Alcatel.

Of the five, Altech and Alcatel stuck out like a teenager without a date at a matric dance. It did not have a black partner.

Recently, Thebe said it would pay R82 million for a 5 percent stake in Altron. It did not make sense at first. Why put so much money into a company with a dividend yield of about 2 percent whose earnings last year were lower at 728c than 1988's 762c, according to a report by stockbroker Edey Rogers' analyst Franco Busetti?

I put these questions to Busetti, who said: "If I had R82 million I would not put my money into Altron. It was a sell recommendation in my report. Our forecast is for 15 percent growth in the year ahead, much lower than most companies in its sector."

I remembered this the evening at Mama's when I spoke to a black merchant banker. "You must remember that Bill Venter made his money because he had good relations with the previous government," said the banker.

"He is trying to cultivate the same relations with the present government. It could be that Telkom told him they like his technology, but have a problem because the company is not showing the right face in the new South Africa.

"Also, Altron subsidiary, Powertech, will need some co-operation from the new ANC municipalities to sell their equipment. Thebe could

be expecting the Altron share price to increase significantly if it gets the Megaline contract, and Powertech can get some co-operation from the municipalities.

"Altron is getting a partner with impeccable connections. All they are paying is a discount on their shares — which is only there because the price moved up recently. Andile Ngcaba, Thebe's head of telecommunications, was supposed to be Pallo Jordan's director-general. He was previously head of the ANC's



Altron chairman Bill Venter

telecommunications desk."

Venter disputes this line of reasoning. He said he first met Thebe Investments managing director Vusi Khanyile at the inauguration of President Nelson Mandela 18 months ago.

"The proceedings started late. I told him it had always been my desire to develop a partnership with a professional, emerging company. Khanyile said he was still getting his act together. But we continued to see each other. We also met at Qunu, when I opened President Mandela's primary school."

Venter said Altron was one of the first major companies to give blacks an entry at the front door, at the holding company level, where the decisions are made.

"There are a lot of jealous people in this town. If this deal was about Megaline, we would have brought Thebe in at the Altech/Alcatel level. The tender said black empowerment would be an important consideration, but Altron did not rush to do a deal."

What about Altron's performance and prospects, which some analysts said were lower than most companies in the sector over the next year?

Venter said the pressure to increase earnings every year was not healthy. "Five years ago, 65 percent of the group's business was from parastatals. Today, the figure is just over 30 percent."

"Throughout this period of adjustment, the group has taken 2 percent a year of sales to put back into development. It's misleading to look straight at the bottom line, because we have spent a lot of money on new products.

"We spent R65 million developing an electronic detonator for the mining industry; R25 million on Netstar, a vehicle tracking system; and R136 million on a Powertech package to provide electrification.

"We sold half of Altech Telecommunications to an international company (Alcatel) to prevent it coming in as a competitor. The investments we have made will pay off," Venter believed.

How would Thebe finance the deal? Eugene Ruiters of Thebe said the company would issue some preference shares at market rates and finance the rest from its own resources.

And why did Thebe pay so much money to get non-voting shares? Ruiters said it was because shares were available. Altron had received approval from shareholders and the JSE to issue the shares.

"We are in at the centre, and have two seats on the board and first option for opportunities across the company," said Ruiters.

□ Duma Goubule is a special writer for Business Report and managing editor of African Business

Saame favours affirmative action ⁽¹⁷⁶⁾

The Argus Correspondent

PORT ELIZABETH. — The South African Association of Municipal Employees (Saame) in the Eastern Cape favours a locally-managed municipal affirmative action plan, and will seek a meeting with Local Government and Housing MEC Max Mamase to discuss a weekend statement he made on the subject.

Addressing an Institute for Democracy in South Africa conference at the weekend, Mr Mamase said local authorities had six months to implement changes in top and middle management to bring legitimacy to new councils.

He spoke of retirements, resignations, early retirements and in some cases retrenchments, to effect this. The possibility of moving officials to the new district councils, which replace regional services councils, was also raised.

Mr Mamase said that at top management level in particular, appointments must be made on merit.

Saame's Eastern Cape general secretary Mike Kritzinger said yesterday the union wanted to meet Mr Mamase to discuss the government's plans.

He said the union favoured local affirmative action programmes.

In Port Elizabeth, he said, this could be managed by the affirmative action sub-committee which was started by the former TLC and was to be reconstituted by the new council.

Mr Kritzinger said local conditions had to be taken into account. An example of this would be the impact of a PE-Uitenhage-Despatch metropolitan government, which was currently being investigated by the three local authorities.

Saame chairman Johan Crafford said the union supported

the concept of affirmative action and was party to an agreement on this by the National Labour Relations Forum in Durban on August 15 last year.

He said the union was also involved in the practical implementation of this agreement on a local level. The agreement was adopted by local industrial councils, including that in Port Elizabeth. ARG 22/11/95

"Affirmative action is a sensitive issue which is best dealt with at grassroots level between all affected parties," Mr Crafford said.

"Consequently, statements which may create misperceptions on the implementation of affirmative action are noted with concern, and as a matter of urgency in order to ensure that the terms of the national agreement (inclusive of the provision that no employee shall suffer loss of employment) are adhered to."

MANAGEMENT

Reports by
Michael Urquhart

A GROWING number of SA companies were embarking on a transformation process to increase productivity and manage the pressures and uncertainties of the current economic climate, a survey into multiskilling, broadbanding and other transformation processes has found.

The survey, undertaken by management consultants FSA-Contact and involving 191 major SA organisations, found that two-thirds of participants had already embarked on some form of transformation process.

Of the remaining 31%, more than half were considering implementing such steps in the future.

The most popular transformation processes adopted are multiskilling

Firms focus on transformation

(176) ~~(192)~~ RD 23/11/95

(51%), "delayering" to achieve a flatter organisational structure (50%), productivity improvement (48%), and paying for performance (46%).

Other strategies included the implementation of teamwork concepts, downsizing, broadbanding and re-engineering. Concepts such as skill-based pay and competency-based pay had been implemented by 29% and 22% of the sample respectively.

More than three quarters of the sample said they had implemented transformation processes to increase productivity, with just more than half achieving this objective.
Kris Crawford of FSA-Contact said

the adoption of change strategies by nearly half the participants in order to link pay to performance suggested this was one method organisations were using to control rising payroll costs while improving productivity.

The survey also showed that companies were increasingly discussing and formulating some of their policies with trade unions. The main union drive appeared to be in the areas of broadbanding and skill-based wages.

The success of trade unions was shown by the fact that a quarter of the respondents who were considering implementing skill-based pay had done so at the instigation of their unions.

Crawford said union involvement was seen as important in multiskilling. This often involved downsizing, as a larger number of employees were able to perform a greater number of jobs, making certain positions redundant.

The survey found that 31% of respondents had already downsized their organisations, resulting in an 18% reduction in staff.

While downsizing affected all categories, including executives, those most affected were management, semi-skilled and unskilled workers.

Nearly two thirds of the sample said unions were involved in the laying off of workers.

will be blocked next week. Sidego, who has accepted a contract as senior executive with the airline when his tenure in Copenhagen ends in December, has fallen foul of affirmative action procedures.

A five person committee appointed by Private Enterprises Minister Stella Sigcau to re-evaluate Sidego's position after complaints were received, is due to recommend to the Minister on Monday that the position, vacant since the resignation of Myburgh's assistant Tienie Willemse, be re-advertised. If so, Sidego, who has a contract with SAA, is expected to sue the airline for unfair labour practice. If successful he stands to be well compensated.

The committee's findings were possibly swayed by testimony by senior GM (Human Resources) Vic van Vuuren, who also chairs the steering committee of Transnet's Turn Strategy Council, an affirmative action programme.

It now seems that SAA erred administratively by appointing Sidego before it had cleared the matter with the Turn Strategy steering committee. All the other procedures appear to have been adhered to. They included the internal and external advertising of the position, the compilation of a shortlist of (eight) candidates and the interviews with a panel comprising Transnet CE Anton Moolman, Myburgh, Transnet human resources manager Willie Coetzee and GM Sej Motau. The panel included Nawal Taneja, an aviation academic from Ohio, US, and Dick Nyaga, a Kenyan member of Iata.

However, a major oversight had been committed in terms of Transnet's affirmative action programme. Procedures call for the Turn Strategy committee to ensure in all cases that the proceedings are fair; only then would they give the go-ahead.

This did not happen. By the time the issue was referred to the steering committee, SAA had already appointed Sidego. It also seems that SAA had erred politically by sending an administrative manager, Jaap Jonker, to Denmark to probe Sidego's possible interest in the job. This was some time before Transnet's affirmative action programme was in place.

The Turn Strategy steering committee includes Van Vuuren; Bax Nomvete, a manager at Transnet's Data Via division; Lyle Massey-Hicks and Nelson Ndinisa (trade unionists); Patrick Dada, Spoomet; Cyprian Xaba, Protocon division; Bheki Shongwe, Autonet; Thandeka Mgoduso and Bertina Engelbrecht, both from Transnet. Ndinisa and Mgoduso were also members of Sig-

cau's committee to re-evaluate the appointment. The others were Transnet board members Nana Magamola, who chaired the committee, Joe Ndhlela and Wiseman Nkuhlu.

Van Vuuren says he has not yet seen the report and could not comment on its possible findings. "The matter is pending and I feel that the Turn Strategy steering committee still has a role to play because we had not completed our work."

There appear to be other factors which Sidego's detractors used in their condemnation of his appointment. Among them that Sidego and Sej Motau, who served on the selection panel, had earlier been colleagues at Anglo, that Sidego had been an F W de Klerk appointment as envoy, that he had been editor of *Rapport Ekstra*, a coloured edition, and that the various tests for the panel had been done by Piet Britz, a former GM at the time of the white dominated Transnet



Sidego intends to sue if contract regime is not honoured

Meanwhile, labour lawyer Willem le Roux of Brink, Cohen, Le Roux, Roodt, Inc who acts for Sidego, is ready to take instructions should the committee veto Sidego's appointment. "According to documents in my possession it is clear that my client has a contract with SAA and we are reserving our rights to take any action that may be necessary." Van Vuuren is aware that Sidego may resort to legal action. "His attorney has been in touch with me but I've told him that the report is not yet available."

The package offered to Sidego is reportedly worth R350 000 (negotiable) a year. If the matter goes to court and Sidego wins, compensation will be based on that figure.

Van Vuuren says he has not seen the contract negotiated between Sidego and SAA. Myburgh was abroad and could not be reached for comment.

Eddie Botha

SAA

(176)
FM 24/11/95
Prospective CE grounded

The appointment of SA ambassador to Denmark Conrad Sidego as eventual successor to SA Airways CE Mike Myburgh

MG 24-30/11/95

Concern over affirmative action in E Cape

(176) 

Bronwen Roberts

THE South African Association of Municipal Employees (Saame) has sought an urgent meeting with Eastern Cape Local Government MEC Max Mamase following his announcement that several hundred white municipal workers are to be replaced by blacks.

Chairman of the Eastern Cape Saame branch Johan Crafford said this week the union is concerned the statement could create "misconceptions about the implementation of affirmative action".

Crafford said: "The union supports affirmative action and was party to an agreement on affirmative action by the National Labour Relations Forum in Durban on August 15 1994."

Some white municipal employees will be encouraged to take early retirement and some will be involuntarily retrenched. — *Eena*

Now the Cape is much fairer . . .

(176) CP 26/11/95

By HERMAN
WASSERMAN

"IT IS SAD that, when working with affirmative action, one still has to refer to colour. But that is the unfortunate reality we inherited from a system that was designed to keep certain population groups out."

Speaking is Gavin Pieterse, project director for affirmative action in the Cape Town City Council, appointed in November last year to oversee the transformation of the colossal organisation with 16 000 employees into a structure more representative of the composition of the Cape Metropolitan area.

Since then the council has become the leader in affirmative action programmes for local authorities in the country.

The council's affirmative action policy was set up after elaborate negotiations between all stakeholders. Its aim is to transform the council into an equal employment opportunity employer within five years after its implementation in April 1994.

The first thing Pieterse did was to do away with the established job descriptions and to introduce selection criteria based on competency.

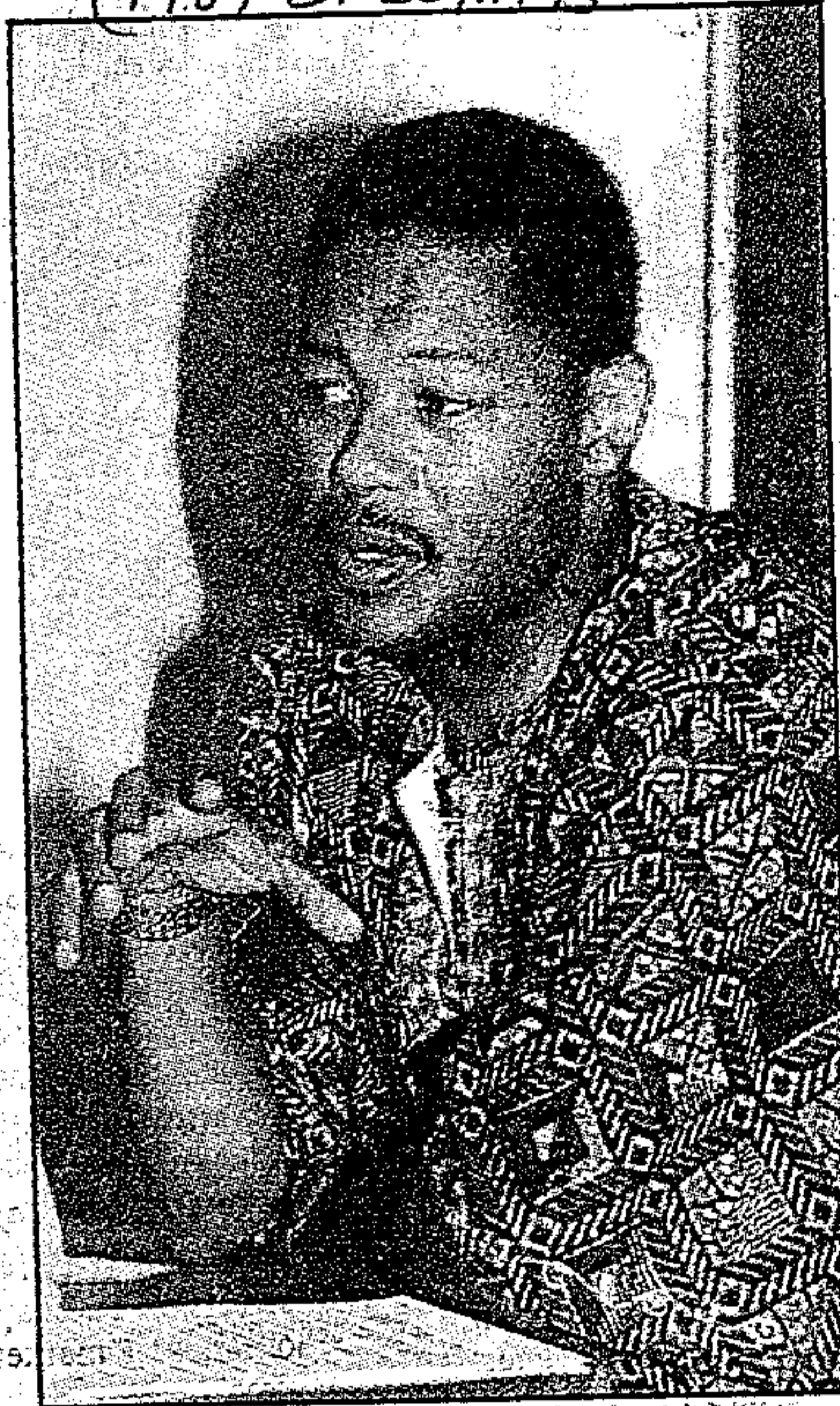
"What we're asking now, is not how qualified a person is - but rather whether he or she has the ability to do the job," he says.

"We also have to set up a whole new system of values, like openness, accountability and transparency.

"The organisation must change in order to perform new tasks and make new decisions. For that we need to appoint people who know the problems in the communities first hand.

"We have to change a whole culture. Most private sector organisations play a numbers game with affirmative action positions without taking into account the underlying values and culture that created the old hierarchy. Under the old apartheid system, designed to promote Afrikaners to the top positions, there lay a lot of basic assumptions and mindsets that still exist today. For example, the assumption that Africans do not have a work ethic. The challenge is to transform these assumptions."

To achieve this he uses a form of



DEMOLITION MAN . . . Gavin Pieterse is breaking down the stereotypes and employment barriers of the past.

the Sotho traditional gathering called "lekgotla", in which people voice their feelings and opinions.

"People can voice their assumptions and fears, which we can then control against the facts and upon which we can then act," Pieterse explains.

He also has to deal with current employees' fears of being fired to make space for an affirmative action appointee. And being in the Western Cape with its complex political and social dynamics, this does not mean just the fears of the white employees but also those of coloured people.

It is difficult to educate employees about the effects of affirmative action - especially in such a large organisation where employees are geographically scattered. Fifty percent of the work force is also illiterate, making it impossible for educational information to be distributed in writing.

One innovative way in which Pieterse is countering this, is by using an industrial theatre group who have completed two months of research and are scripting a play to be taken to all workers, after which the ideas expressed in it will be workshopped.

In a way, Pieterse is a demolition man, breaking down barriers and stereotypes of the past.

Jobs survey finds wide support for race quotas

ST(BT) 26/11/95 (176)

By THABO KOBOKOANE

At least 43% of organisations believe there should be some form of affirmative action legislation in place, according to a study by the Black Management Forum and accounting firm Ernst & Young.

Benchmarking Affirmative Action, conducted among more than 100 medium to large organisations employing three quarters of a million people, finds 65% of respondents favour targets and 82% of companies oppose quotas.

The study finds 76% of organisations have affirmative action in place.

Despite this, Bheki Sibiyi, managing director of the BMF, says affirmative action progress in the corporate sector in South Africa has been slow.

"In the process of transformation, business lags behind the changes taking place in the political arena and government

structures. This is attributable to the lack of will on the part of executives to pursue affirmative action goals aggressively," Mr Sibiyi says.

While 43% of chief executive officers are formulating affirmative action policies, "their days are numbered", says the study.

Increasingly stakeholders are beginning to play a significant role with at least 25%, in this study, having influenced affirmative action policies within organisations.

It notes that "those companies with a more participative approach have enjoyed a higher degree of overall affirmative action success".

Business lagging in affirmative action

CT (BR) 27/11/95

(176)




By THABO LESHLO

Johannesburg — South African companies were making slow progress in implementing affirmative action and lagged behind government structures in introducing changes, according to a new survey.

The Benchmarking Affirmative Action project, conducted by Ernst & Young and the Black Management Forum, found that 51 percent of the 100 participating organisations had only started affirmative action two years ago.

The medium to large private and public enterprises employed about 750 000 people.

The survey blamed the poor performance of the private sector on a lack of will among company executives to pursue affirmative action goals vigorously.

Unsuccessful players Medium performers Winners	Denied the need for a formal policy 	Recruiting from traditional pools 	Benchmark against minimum standards 
	What they did yesterday	What they are doing today	What they they plan to do tomorrow
	Negotiated a policy with stakeholders	Making competency based appointments	Set world class training standards
	Appointed an AA champion	Auditing HR Practices	Positioned to meet anticipated legislation

"On the other hand, it is a result of an absence of information about the strategies and practices necessary to make affirmative action succeed," said Ernst & Young national

director Julian Nagy.

The researchers hoped their findings would provide the first empirical data to enable companies to weigh themselves against suc-

cessful players. (See accompanying table.)

Nagy told delegates at the BMF conference on the weekend that 82 percent of respondents saw affirmative action as strategically necessary, but only 47 percent said it improved competitive advantage.

The study showed that 43 percent of the organisations favoured some form of affirmative action legislation, but 65 percent wanted the process to be driven by targets.

An overwhelming 82 percent did not believe legally imposed quotas would be appropriate.

The report found that multilingual selection tests, investing in training and development, appointments based on competence, and accelerated management development all fostered successful affirmative action programmes.

Affirmative action

in govt is outlined

Theo Rawana

BD 27/11/95



(178)

WITHIN four years, half of the management posts in government should be held by blacks and 30% of new recruits to middle and senior management should be women, Public Service Minister Zola Skweyiya said at the weekend.

Within 10 years, disabled people should comprise 2% of the public service, Skweyiya told the Black Management Forum annual conference at the World Trade Centre in Kempton Park.

This was in terms of targets and time frames for affirmative action called for in the reconstruction and development white paper aimed at creating a broadly representative public service.

Skweyiya said that to achieve equity, which would be for the betterment of SA as a whole, black managers and black people in the corporate world needed to act as a powerful and vocal lobby group to develop their policy capacity.

"I would like to take issue with the fact that we seem to parochialise the discourse and therefore narrow our sphere of activity and interest, by concentrating too much on the mere ascendance of black people up the corporate ladder.

"While there are some excep-

tions, we feel that we have not really begun to challenge the ethos, structure and culture of the corporate world. We have tended to become assimilated into the culture of the system, too easily undetermining our own power in these corridors of economic power," Skweyiya said.

He said black managers and black people in the corporate sphere had also tended to address issues pertinent only to middle class blacks, and had not really taken up the fight alongside workers "in the alienating world of predominantly white SA".

He added: "We have not sought with the unions in our areas any common ground on which to build lasting relationships of co-determination for mutual survival in the corporate world."

Nor had these managers engaged enough with the macroeconomic issues of the day, or contributed to discourse on the economy and related issues.

"This is essential because it would add depth to our understanding of the milieu in which we find ourselves. It cannot be denied that our intellectual output has not been what it can be. As such we have allowed white liberals to determine the national agenda," Skweyiya said.



Black Management Forum regional manager Jacob Maroga at the B.M.F. Black self-empowerment conference.

Picture: CATHY PINNICK

Remarks anger black managers

bevetan
28/11/95

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By Mzimkulu Malunga

JOURNALIST Dennis Beckett was castigated for his criticism of affirmative action at the Black Management's Forum annual general meeting over the weekend.

During his presentation Beckett said affirmative action "necessarily and inherently" had four anti-social effects.

He said apart from installing tokenism as a way of life, affirmative action was cruel to alleged beneficiaries and entrenched the idea of "second class black professionalism".

Also, argued Beckett, affirmative action sabotaged the South African economy.

He went on to say while advocates of the notion emphasised their opposition to tokenism they were putting pressure on companies to appoint blacks to senior positions.

"Under pressure the company identifies a person who it would not have identified by the normal criterion of an expected ability to master the job, but who is black, to become general manager," he said.

During question time Beckett came under fire for his perception of affirmative action, with some of the delegates describing his presentation as the "lowering of standards".



No need to waste time educating Beckett on affirmative action.

PIC POGGY SEGALE

"Do you think you whites would be where you are today if it was not because of affirmative action?" Beckett was asked, but he simply shrugged the question off and quipped: "I don't know."

Some managers, like Mr Loyiso Mbabane, described Beckett's view of affirmative action as "that of taking a hobo and appointing him a managing director".

"We are greatly disappointed with Beckett's presentation and I suggest that instead of wasting valuable conference time to educate him about affirmative action, we terminate this discussion and concentrate on important issues," said a manager at an insurance company, Mbulelo Rakwena.

Affirmative action 'non-negotiable'

BD 28/11/95

(176)

Theo Rawana

THE Black Management Forum regarded affirmative action targets at management level, which it set out in its blueprint last year, as a non-negotiable issue, the forum's new president Lot Ndlovu said yesterday.

Ndlovu was elected forum president at the weekend at its annual conference in Johannesburg.

He succeeded Development Bank of Southern Africa chairman Wiseman Nkuhlu.

The forum's affirmative action blueprint set 2000 as the year by which 80% of all trainees in SA's corporate world, 70% of supervisors, 50% of junior managers, 40% of middle managers, 20% of senior managers, 20% of executive directors and 30% of non-executive directors should be black.

The forum said the rationale for affirmative action was that the "dramatic underperformance" of the SA economy stemmed from over-reliance on a "diminishing pool of white people".

Ndlovu said the forum wanted to achieve equity to help SA companies to be competitive locally and internationally.

The organisation hoped to influence policy through efforts such as the blueprint.

"We are prepared to be flexible. We do not think we should make the position tough for government. They have been in power for a mere 18 months. We feel we should get a more considered, formal response from them," Ndlovu said.

But the forum drew the line on the question of setting targets. The organisation would also not yield if government sought to "dilute the affirmative action programme" by making it an all-embracing strategy which targeted all interest and lobby groups. "We want a focused strategy."

This was in response to Public Service Minister Zola Skweyiya statements at the conference that black managers "merely seem to parochialise the discourse and therefore narrow our sphere of ac-

tivity and interest by concentrating too much on the mere ascendance of black people up the corporate ladder".

Ndlovu said the forum sought to ensure that the workplace reflected blacks as the majority. "But we need to focus on critical issues — you will miss the boat if management and leadership does not have a representative profile of blacks and women. If we have that, other factors will fall into place.

"We know about the promotion of sweepers to salespeople, but that all depends on management decisions. We cannot take it from the bottom. Hence we need to push the right people to the top — for them to work for the workers on the shopfloor," Ndlovu said.

He appealed to business to see the forum as a partner working for the economic well-being of SA. "BMF is a great ally of business — working from a farsighted approach. We will assist in creating a common culture in business," Ndlovu said.

he said. One company... niers and drive prices down...

Coloureds 'still face discrimination'

~~(176)~~ (176)

STAFF REPORTER

CT 29/11/95

COLOUREDS should "mobilise" as they were being discriminated against in affirmative action, the RDP, education and health, Belhar deputy mayor Ms Florina Serfontein said at an Institute for Multi-Party Democracy focus meeting yesterday.

Widely differing views on the rise of coloured nationalism and its relationship with national reconciliation were raised.

City council affirmative action project director Mr Gavin Pieterse said there was strong resistance to affirmative action from coloured council workers.

(176)
Justice dept on
affirmative track

LOW pay in the Justice Department was derailing its affirmative action drive, Parliament's public service committee has heard.

The department said in a report many competent jurists were not interested in taking up positions in the department because its salaries were not market-related.

However, figures showed there had been significant progress in affirmative action. Of the 640 people appointed this year, 65 were Indian, 100 coloured, 133 white and 342 black, making a total of 79,2% non-white appointments.

Sapa

CT 30/11/95

Affirmative action programmes 'are becoming more successful'

BD 30/11/95

(176)

LATE starters in affirmative action are in for a tough time if the findings of a survey by the Black Management Forum and Ernst & Young are anything to go by. It shows that expectations of success in this field for next year are twice the level achieved in 1993.

The survey also shows that those companies with a more participative approach to the implementation of an affirmative action programme enjoyed a higher degree of success.

In 25% of companies canvassed, a broad process of stakeholder involvement was used.

"The days of management initiating and managing a programme on their own are numbered," the survey says.

Also crucial in implementing an affirmative action policy was a clear and formal statement of intent.

Only 9% of the companies covered in the survey would not have some sort of formal policy by the end of next year.

The survey says the increasing success of affirmative action policies, caused by better management of the

programmes, is linked to increasing satisfaction in the performance of affirmative action appointees.

In 1992, when only 25% of respondents rated their affirmative action programmes as successful, 35% of the companies surveyed said affirmative action appointees had performed satisfactorily. This year, when the number reporting success in affirmative action programmes had increased to 55%, the number of companies which said affirmative action appointees were performing satisfactorily had increased to 60%.

However, the increasing number of companies with these programmes had led to a severe shortage of suitably qualified candidates, with 84% of respondents saying this was the major obstacle to affirmative recruitment.

What this could do is highlight the serious shortage of spending on training in SA. The survey says SA spends on average 2% of its payroll on training, compared with 4% in the US and 6% in Japan.

Departments tell of problems, progress

ARG 30/11/95 (176)

CLIVE SAWYER
Political Correspondent

MANY attempts to make affirmative-action appointments in the Department of Justice have failed because salaries are too poor to attract "competent" jurists.

This was disclosed in a report by the department tabled yesterday at a meeting of the national assembly and senate committees on the public service.

The committees are conducting two days of hearings during which they will hear evidence from central government departments on the progress and problems in amalgamating and rationalising former apartheid-era departments.

The cabinet yesterday approved terms of reference for a presidential review commission to audit the public service and set guidelines for its further transformation.

The commission's terms of reference will include the design of the service, its composition, efficiency, effectiveness, representativeness, managerial proficiency and financing, as well as its routines and procedures.

In its report to parliament yesterday, the Department of Justice said that in spite of the problem of uncompetitive salaries, signifi-

cant progress in affirmative action had been made between January and September. Just less than 80 percent of appointments in this period were black people.

While administrative transformation of the department was difficult, costly and time-consuming, progress had been made.

The amalgamation of 11 former departments of justice had put a huge burden on the departmental head office. The restructuring of the department was largely dependent on restructuring the organisation of the courts.

Only when there was finality on new divisions of the Supreme Court for each of the new provinces, could the establishment of regional offices for the department, state attorneys, Masters of the Supreme Court, attorneys-general, registrars of the Supreme Court and family advocates be finalised.

There had been 17 early retirements at the department's head office. Most of these posts would be filled by black officials from former homelands and self-governing territories, the report said.

In its report to the committees, the Department of Correctional Services said problems encountered in the rationalisation process included surplus staff and discrepancies in salaries and benefits.

Lack of funds derail plans

Lowetran 30/11/95

(176)

By Rafiq Rohan
Political Correspondent

ATTEMPTS at applying affirmative action policies within the Department of Justice are being "derailed" because there are not sufficient funds to pay the people needed.

This was said in a submission to the Committees on Public Service and Administration sitting in Parliament to hear what problems Government ministries and departments face in their rationalisation processes.

In highlighting one of its problems, the Justice submission explains: "Many attempts at affirmative action are derailed because competent jurists are generally not interested in taking up senior positions in the department due to the non-market related salaries we pay."

Despite this shortcoming, there have been significant changes made to transform the former predominantly white face of the department. Of the 630 new appointments made by the department between January and September this year, 507 are black.

"In total," the submission states, "79.2 percent non-white appointments were thus made in this period."

To a large extent, the selection committee looks at race, gender and disability when making appointments. "As part of the department's contribution to the RDP, disparities, inequalities and imbalances of the past should be addressed."

The administration transformation and its restructuring is difficult, costly, time-consuming and complex, the submission states. The department had to take over 11 apartheid based administrations of justice, each with its own organisational structures, procedures, laws, management plans, among others and transform this into one united system of justice.

The main aim, thus, of the Justice ministry and department is "to establish in the spirit of the Constitution, through a democratic process of transformation and rationalisation, a single legitimate and accountable administration which is just, transparent, accessible and representative of the whole South African community".

Restructuring the department and the justice system is, in fact, "an ongoing process which may still continue for a considerable time," we are warned.

As expected, there are many who served the former regime who are not sitting comfortably with the changes taking place around them.

The report says: "Problems regarding fears and apprehension in all the former administrations of justice are continually addressed through visits to all areas by the minister, the director-general and the management committee."

The Department of Agriculture, in its submission, said that it has, in addition to a new director-general, appointed 26 new people in management posts.

"At this stage the department is in the process of redefining the organisational structures under the level of director. About 3 500 posts are involved. As soon as this process has been finalised, serving officials will be absorbed in posts on the rationalised organisation."

BD 4/12/95
Fewer whites in top posts

STELLENBOSCH (176)

The number of whites in senior managerial posts in the health department had been nearly halved in the past year as part of a restructuring of the health services, Health Minister Nkosazana Zuma said.

At the opening of the 11th triennial Commonwealth Health Ministers' conference yesterday, she said the department's top management structure had changed from one that was 90% white and 95% male.

Of the 34 senior managers, 47% were now white and 30% of the managers were women. More than four-fifths of management was new.

The conference will see health ministers and officials from more than 30 Commonwealth countries debating a three-year action plan to enhance the general health of women. — Sapa.

'Military co-operated in investigation of Malan'

Nicola Jenvey

DURBAN — Co-operation from military intelligence enabled the Investigation Task Unit to obtain the vital dossier to charge former defence minister Magnus Malan and 19 others with the 1987 KwaMakutha massacre.

Unit commander Frank Dutton said at the weekend the investigating team knew of the dossier's existence and received a warrant to search the military intelligence offices in Pretoria, to obtain the dossier retrieved on June 5.

"It was not a situation where we went in against their will and found these documents hidden in somebody's safe. We went in with a search warrant and after negotiation the documents were handed over," Dutton said.

During Friday's 20-minute court appearance apartheid's top securocrats, former KwaZulu policemen and IFP deputy secretary general Zakhele Khumalo were charged with 13 counts of murder, four of attempted murder, and one of conspiracy to murder.

The State alleges that the 13 people were massacred in KwaMakutha hou-

se 1866 eight years ago, after a group of highly-trained Inkatha supporters became "restless and wanted to practice their training".

IFP leader and Home Affairs Minister Mangosuthu Buthelezi — then KwaZulu government chief minister — requested security force assistance against life threats to himself and his supporters by the ANC and United Democratic Front.

Code-named "Operation Marion", a paramilitary training base in the western Caprivi Strip was set up, with the constitutional development and planning department assuming overall co-ordination. The State claimed 200 IFP supporters underwent four months' specialist training there.

Only people whose deaths would "positively impact" on the IFP could be targets. Victor Ntuli, with "the most comprehensive" dossier, was selected.

The attack was carried out and although Ntuli was not home, the operation was considered "a success".

The accused were not asked to plead and the case was scheduled for March 4 in the Durban Supreme Court.

BD 4/12/95

Health Dept rings the changes

Star 4/12/95

(176)

Women and blacks now hold many
more top managerial posts, Zuma
tells Commonwealth conference

SAPA
Stellenbosch

The number of whites in senior managerial posts in the Health Department has been nearly halved over the past 12 months as part of a major restructuring of the services, Health Minister Nkosazana Zuma said in Stellenbosch yesterday.

Speaking at the opening of the 11th triennial Commonwealth health ministers' conference at Stellenbosch University, Zuma said the department's top management structure had changed from one that was 90% white and 95% male.

Of the 34 senior managers, only 47% were now white and 30% of the managers were now women. More than four-fifths of the management was new.

"A great deal of new blood has been brought in and the management culture has changed."

Also at the opening were Deputy President Thabo Mbeki and Commonwealth secretary-general Chief Emeka Anyaoku.

The four-day conference, which gets under way today, will

see health ministers and senior officials from more than 30 Commonwealth countries debating a three-year action plan to enhance the general health of women.

The conference, organised under the banner Women and Health, was the first Commonwealth meeting to be held in South Africa since its return to the international body, Anyaoku said.

He said the conference was a sequel to last month's Commonwealth Heads of Government meeting in New Zealand, which had endorsed a plan of action on gender and development.

"Our challenge here is to move beyond words to deeds," he said.

Bleak statistics indicated that millions of women were suffering from malnutrition, anaemia and a host of other preventable diseases and disabilities. "This is a product in part of the disadvantaged situation of women who are overrepresented in the lowest socio-economic levels of society."

Zuma said that if South Africa could overcome apartheid, then a solution could also be found to gender discrimination, which existed in every part of the world.

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Companies honoured for social commitment

Theo Rawana

(~~333~~) (176)

BD 5/12/95
tor Ray Wood.

SA COMPANIES were last night honoured for their commitment to social upliftment, affirmative action, health care and environmental care at the Professional Management Review RDP Corporate Care awards banquet held in Johannesburg.

The awards were initiated six years ago by PMR to recognise companies which were responsible corporate citizens and cared for both employees and communities, said chairman and edi-

The four national winners of the floating trophies were: XeraTech, for affirmative action (award sponsored by TV1 SABC); Radio 702, healthcare (sponsored by the health department); Pretoria Portland Cement, environment care (sponsored by Total SA) and Nedcor, social upliftment (Pick 'n Pay).

Eight finalists won silk scrolls for being best in industry: FutureBank, Africon, Anglo Alpha, Glaxo Wellcome, Golden Arrow Bus Services, Protea Hotels, Radio 702 Media and Shell SA.

'Many job advertisements flout interim constitution'

(176) CT 5/12/95 (BR) ~~(176)~~ ~~(176)~~

BY FRANÇOISE BOTHA

Cape Town — More than 50 percent of job advertisements are discriminatory and illegal in terms of the interim constitution and the bill of rights, says Elizabeth Milne, co-founder of the Affirmative Action Alliance.

"They typically fall into two categories — those that are obviously discriminatory where an applicant's age, race or sex is stipulated and those that are plainly bad in terms of their wording," she says.

Milne said that advertisements now had to include details of the inherent requirements of a particular position.

"Terms like 'Xhosa-speaking' have come to mean African and often have nothing to do with the requirement of the applicant to speak the language," she says.

She said that employers should be aware that the constitution had

made provision for legal action if an applicant felt that he or she had been unfairly discriminated against in the selection process.

In terms of the interim constitution, if someone can supply reasonable evidence of discrimination, the case will be assumed to be proved, unless the person or organisation accused can produce evidence to the contrary.

The fact that the onus of proof lies with the employer has sent a shock wave through local industry since organisations are now forced to disclose their selection processes if challenged on reasonable grounds of unfair dismissal.

"This is quite reasonable because the individual generally would not have access to the documentation and evidence necessary to prove his or her case in the usual way," says Milne.

For the purposes of determining unfair labour practice, the Labour

Relations Act includes an applicant as an employee.

Milne said, however, that the discrimination had not yet been challenged in the courts, but that it was just a matter of time.

Commenting on discrimination on arbitrary grounds, Milne said that while it had been outlawed, the righting of past wrongs through corrective or affirmative action was still acceptable.

"Affirmative action could be problematic if one regards it as being in conflict with equality. It is less so if seen as a means of establishing a society based on equal opportunities for all.

"Most South African employers are likely to experience far more difficulty accommodating the practical requirements of non-discriminatory selection. That is apart from the fact that many organisations believe that their present practices are non-discriminatory," she says.

Foodcorp looking to buy assets

BY CHARLOTTE MATHEWS

~~(176)~~ CT (BR) 5/12/95

Johannesburg — Substantial acquisitions must be made to complement organic growth in its existing operations if Foodcorp is to become a world-class, internationally competitive business, chief executive Dave Kennealy said in the group's latest annual report.

From the beginning, the group has aimed at forming alliances with global food groups. Two years ago it formed a joint venture with The Pillsbury Company, and during the past year has formed a company

with PepsiCo Foods, which owns Simba.

In addition to the value these companies have added locally, Pillsbury and PepsiCo Foods have opened new export doors to Foodcorp and its products.

The link with PepsiCo Foods included a first-option right for Foodcorp to co-invest in any future African ventures.

In the year to August, the group reported a 17 percent improvement in shareholders' profit to R201,9 million compared with the previous year.

Foodcorp chairman, Grant Thomas, said most of the group's businesses, with the exception of Marine Products, which enjoyed reasonably favourable operating conditions, had had to buck industry trends in the past year and, in the circumstances, achieved "very creditable" results.

Kennealy said the short-term outlook for the food industry remained mixed. However, the group expected to achieve further real growth next year owing to its market position, management team and healthy balance sheet.

711 prison service officers promoted

ARLT 8/12/93 (176) ~~95~~

PRETORIA. — The Department of Correctional Services today announced the promotions of 711 officers — 453 of them from previously disadvantaged groups.

"The promotions follow extensive consultations with workers' organisations and are linked to the Linda Human Forum on affirmative action, which was commissioned by the department," it said in a statement in Pretoria.

The promotions were an important step in the department's goal of a 70:30 staff

ratio within five years in favour of previously under-represented people.

"It is also fully in line with the principles embodied in the Constitution and the government's stated objectives in terms of a national affirmative action policy."

The statement said all promoted officers complied with set standards of merit and efficiency.

Depending on the availability of posts, some officers would remain in their present command areas but some would be moved. — Sapa.

The genesis of black empowerment

(176) M+G 15-21/12/95

The dynamics of black participation in corporate South Africa are complex as has been revealed in the past year, writes **Meshack Mabogane**

AS the past year saw political power shifting into largely black hands, 1995 saw gleams of what black economic empowerment may mean. The strident calls, the blinding euphoria and widespread upsurge of ventures covered by this term marked much of black efforts to enter mainstream business. And if the terms seem easy to understand the actual reality has been complex.

There are mainly two separate but closely-related issues regarding the significant participation of blacks in the corridors of corporate power.

The one is the mere increase in the number of blacks in boardrooms, serving as directors of existing companies without calling for equity input. This is, strictly speaking, a version of "affirmative action". On this score 1995 witnessed a significant increase of blacks in boardrooms with the commercialised parastatals leading the way. For example a third of Transnet board members are black.

Black economic empowerment, however, entails the formation of separate ventures. In this respect, the year was marked by both controversy and trauma. Two major black enterprises went through severe blues that, in the case of the African Bank, got it into the red. Even the government was partly shaken as Afbank was put into curatorship and cries were heard for the government to sal-

vage it as part of priming or promoting black economic empowerment. Emotions released showed how steep the learning curve on creating or sustaining major black enterprises is.

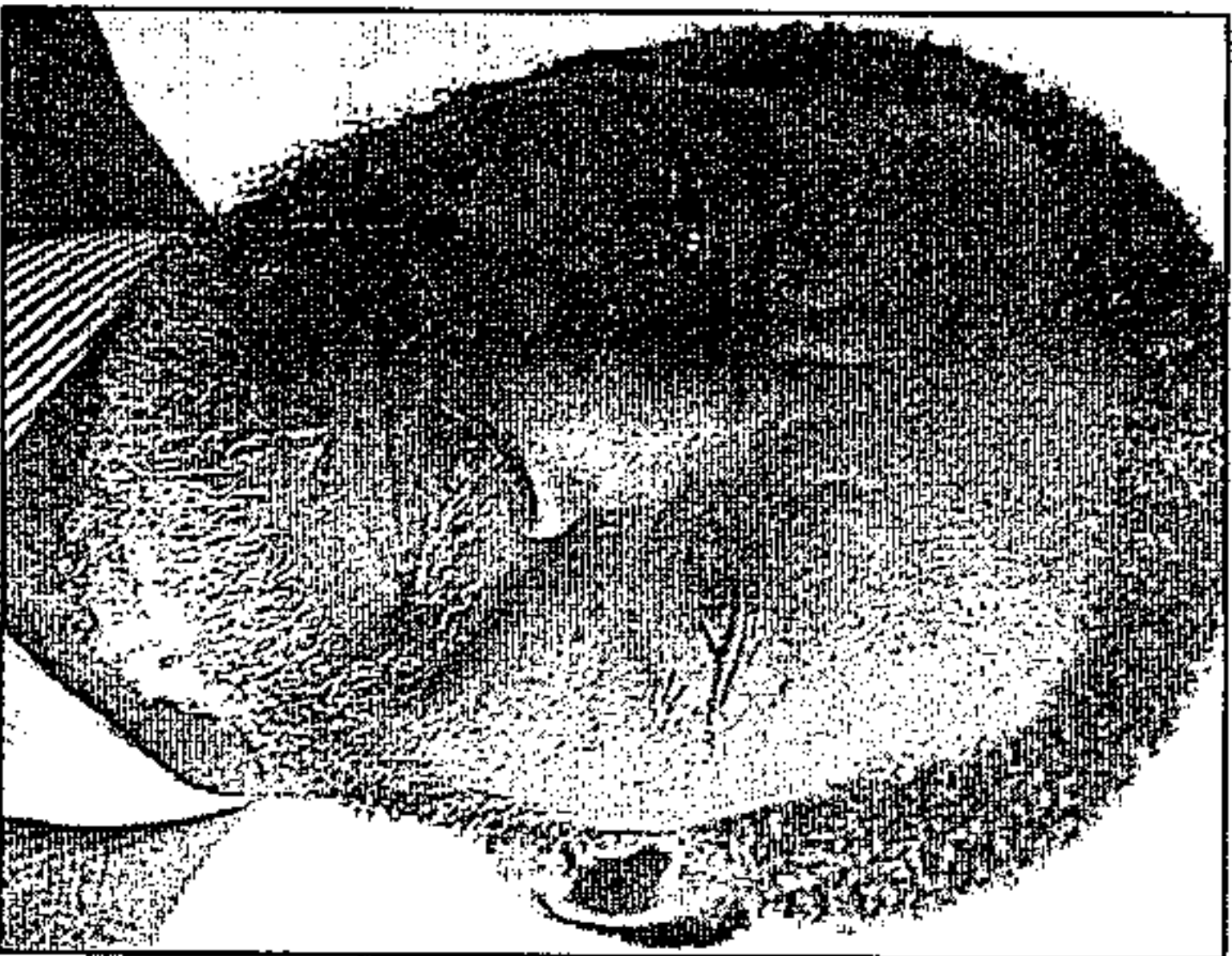
Indeed this experience put the very term "black economic empowerment" to the test. Long before it became a fad or a war cry, going back two decades, the African Bank pioneered it.

With an historic irony Afbank got into trouble at the very moment when black empowerment had become a sort of official policy. With all the effort that went into making both shareholder and top management the major preserve of blacks, Afbank experienced a debacle that brought in a "white" institution, NBS Holdings, to the operational rescue during the very year in which calls for the promotion of blacks reached a crescendo.

Black economic empowerment entails the formation of separate ventures

Of course the paradox is not an argument against efforts to establish mainly black major ventures nor to slow down moves to get blacks through the upper rungs of corporate South Africa.

Indeed it was Dr Nthato Motlana's New Africa Investments, (Nail), a black economic empowerment flagship and a major shareholder in Afbank, that brought the underlying problems to light. Furthermore, it was Nail that led in the rescue and restructuring of Afbank while both increasing its equity stake and keeping black shares



Dr Nthato Motlana: Black established pyramids are vital

In the majority. This showed how complex the dynamics are in efforts by blacks to play a role in mainstream corporate South Africa.

The saga of National Sorghum Breweries, (NSB), was a more bitter brew to swallow. Though it had survived its earlier mismanagement mess, it went on to join with India's UB International, giving the latter a 30 percent stake and extensive management control.

On purely business grounds the tie up is apparently sound as UB runs a world renowned brewery, the producer of the award winning Kingfisher beer. However, the paradox of a company that began with a black majority shareholding and effective control evidently reducing black equity and executive dominance raised questions about the real content and direction of black economic empowerment.

The term itself has actually become controversial if not outright hackneyed. The exercise has been perceived as both co-optation of a black elite and its enrichment with little real control by the very same. Whenever a black economic empowerment venture is announced the black directors would either be non-executive or chairmen while the whites take on the top operational roles. This is construed as tokenism and window dressing, carried out by major companies in response to pressures from both government and organised black groups. It is seen as a subtle means of legitimising continued white control of corporations.

Even though some trade unions and some black church groups have come on board by taking equity in some of these ventures, so giving the appearance of grass roots or mass black involvement, still it does not wash well. Unions and churches are corporate bodies and whatever dividends they may get would accrue to these entities and not ordinary members.

These bodies are run by the elite who stand to gain as their organisations prosper. And with unions their direct and deeper interests in shareholding may well temper worker militancy and militate against demands for radical corporate changes. This cynical view appears to have a grain of truth in it.

Yet there is also the feeling that no matter how symbolic these moves may be this is only the beginning. It is a genesis that would eventuate in blacks gaining a greater foothold, experience and substance as both the novelty wears off and lessons are learnt.

Indeed the complex financial engineering that brought these ventures into existence, particularly the pyramid structures epitomised by both Nail and Real Africa Holdings, (Rah) is a very important lesson in itself. It shows how much has been acquired in terms of knowing how to leverage big financial deals.

Motlana points to the growth of Afrikaner business which mobilised capital through pyramids. There is also the example of Thebe Holdings. A genuinely black established pyramid it has shown how, with a shoestring initial capital base, it has ballooned into a major conglomerate.

The year ahead may see the rise of middle-sized black ventures coming out of a more substantive economic empowerment process. This would come out of the awarding of contracts by big corporations to carry out some of their work. This outsourcing, a part of the corporate re-engineering, would bolster many black entrepreneurs who would actually be running their own ventures.

And as the state is set to sell off some of the parastatals, new opportunities would open up for medium-sized black groups to get a piece of the action. And then there is the prospect of employee share ownership schemes, in which workers are sold shares of companies where they work. This would reinforce efforts at effective black mass participation in corporate governance. It would also mean dividends, when declared, would go directly into their pockets and provide real empowerment to the black masses.

All this could lead to more substance being put into black economic empowerment.

JOBS

Roses make cents for women's empowerment

ST(BR) 17/12/95 (176) (SFA)

THE Women's Investment Portfolio is spreading its wings. After acquiring a BMW dealership a few months ago, it has bought a nine hectare rose farm on the Vaal River to grow flowers for export to Europe and North America.

Three other deals, including one with a JSE-listed company, are likely to be concluded before the end of the year, says Louisa Mojela, the WIP's executive director.

The rose flower deal, to be financed partly by the International Finance Corporation, the World Bank's private sector arm, will see the WIP own 70% and the former owners 30%. The IFC also owns part of the WIP.

"This will be a pilot project as we intend acquiring other flower farms for export projects," says Ms Mojela. "We believe this will not only create employment for our rural members, but will also curb migration to big cities."

The WIP, formed in 1994 and with 30 000 members, is driven by "a strategy based on leveraging the consumer power base of women", she says.

"Our investments are focused on consumer products and we hope to galvanise our members to support the products in which the WIP has vested interests."

The rose business represents the fifth in the WIP's growing investment portfolio, which started off with the acquisition of a large stake in Kuyasa Trust, owners of a stake in New Age Beverages, bottlers and distributors of Pepsi.

This was followed by the acqui-

A World Bank-supported development programme aimed at increasing South African women's economic power, has taken to the acquisition trail in an upbeat mood, writes **THABO KOBOKOANE**.

sition in Johannesburg of a BMW dealership, now called WIP Motors, in a joint venture with Imperial Holdings worth R10-million. Both companies took a 50% equity stake.

Further interests are in Africa Sun International, a joint venture with a business consortium including Sun International and the WIP, whose president and founder member, Wendy Luhabe-Shilowa, is the venture's chairman.

The WIP is also engaged in an as yet unnamed national lotteries consortium.

As an economic empowerment vehicle with five major women business partners who intend to "marshal 5-million black women countrywide", the WIP is poised to bring women into the mainstream of the economy, not only as consumers or workers but as owners, says Ms Mojela.

The IFC's involvement in the WIP is one of the corporation's many projects under the Africa Project Development Facility, which helps black enterprises with a total investment size of between R500 000 and R25-million.

Since setting up office in South Africa in July, the APDF has offered assistance to 10 operations which they have judged "serious

enough" to put into their programme. Five of them have contracts to provide the APDF with services and the remaining five are undergoing project profiles to establish their feasibility.

The APDF was set up in 1986, by the UN Development Programme, the IFC and the African Development Bank.

John James, spokesman for the APDF, says it aims to accelerate development of private enterprise sponsored and owned by African entrepreneurs as a means of stimulating economic growth and productive employment in sub-Saharan Africa.

Its strategies include:

- Formulating and screening business ideas;
- Assisting in shaping the business idea into a business plan;
- Selecting skilled consultants to prepare feasibility and market studies;
- Identifying foreign investors and financial institutions interested in investing opportunities in sub-Saharan Africa and negotiating agreements for joint ventures and buyouts; and
- Negotiating with local and investment authorities, equipment suppliers, contractors, financial institutions and potential techni-

cal partners.

Mr James says the APDF provides services in the start-up of a new business and in expanding, modernising or rehabilitating an existing one. Ideally, a business should be a private limited company, says Mr James, although the APDF will not turn down a close corporation.

"We are talking about fairly sizeable operations with borrowings from international organisations and institutions — and the operations have to become fairly transparent and close corporations are not geared towards that," says Mr James.

But their services do not come cheaply. Although the APDF meets its own and consultancy costs, the business must pay:

- Front-end segment payment of 75% of project cost;
- Business plan payment of 1% of project cost; and
- A success fee of 0,5% of project costs.

"The costs are just a fraction of what the APDF pays," says Mr James.

"But, more importantly, a serious business person will realise the short-term costs are outstripped by long-term benefits."

Since its inception the APDF has helped 202 businesses with total capital costs of \$315-million and net foreign exchange input of \$118-million and has created over 16 000 jobs, says Mr James.

At least 52% of projects assisted have been in the agri-industry sector, with manufacturing accounting for 36% and services 12%.

Empowerment is aim of Sanco business arm

Robyn Chalmers

176
BD 20/12/95

THE SA National Civic Organisation (Sanco) business arm, Sanco Investment Holdings, which has been established with links with both local and international groups, will be launched today.

Sanco national general secretary Penrose Ntloni said that Sanco Investment Holdings had been established as a vehicle for community-based economic empowerment.

"Sanco Investment Holdings has recently concluded transactions with Liberty Life and AIG SA," he said. AIG SA was owned by US-based AIG. Ntloni said that further details of the transactions would be disclosed today.

However, sources believed the transaction with Liberty Life could encompass the formation of a financial services company as a joint venture to provide funeral and medical aid benefits for Sanco's 1.3 million members.

Sources said one of the main areas the new venture would focus on was privatisation, and it would be seeking ways in which communities could become more involved in the privatisation of state assets.

Sanco Investment Holdings would also focus on a number of other areas where business opportunities could present themselves, including unbundling in services-oriented industries, and development of small and medium-sized enterprises.

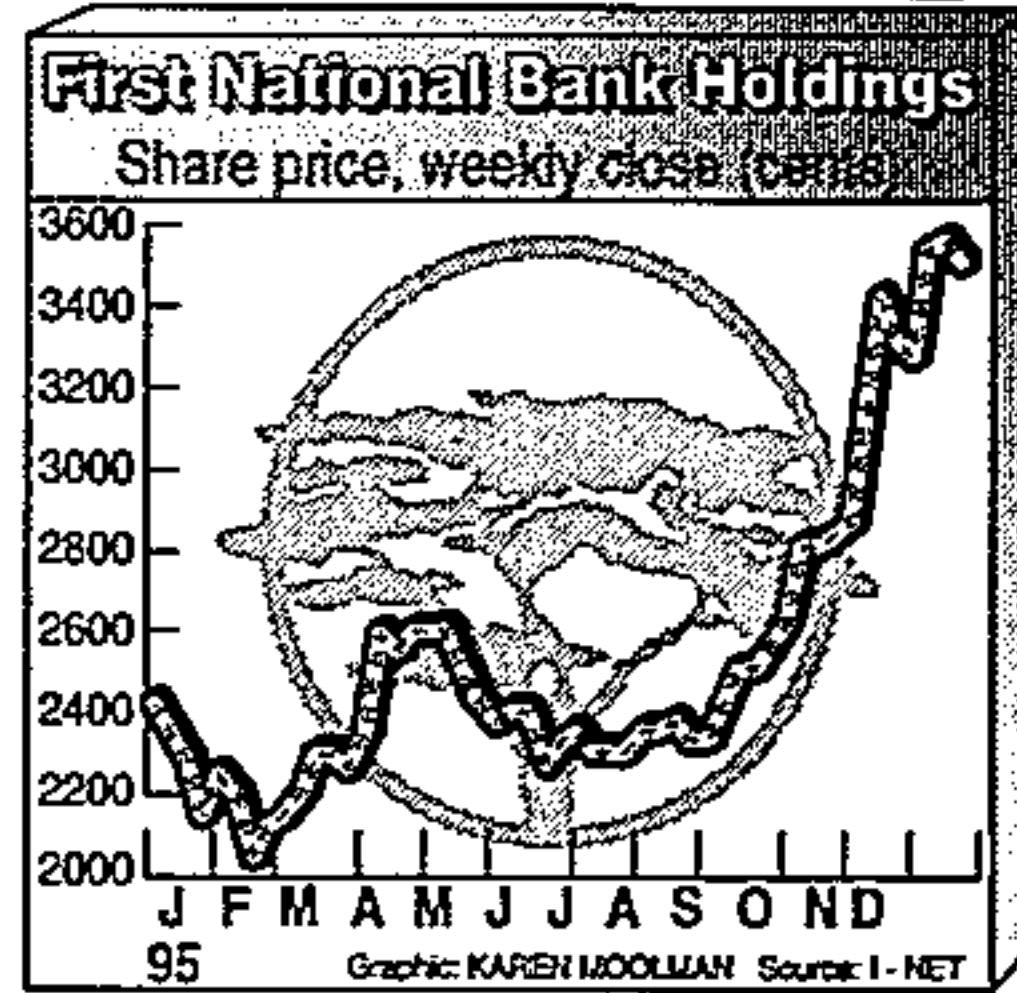
FNB says it is the leader with affirmative action

Greta Steyn

FIRST National Bank (FNB) was proceeding more rapidly with affirmative action than other banking groups, according to figures provided in the annual report released yesterday.

FNB compared its staffing levels with those of the banking industry as monitored by the University of Cape Town's business school. The figures showed more than 19% of FNB's staff was black compared with an industry average of almost 16%. About 55% of FNB's staff was white — less than the industry average of 65,75%.

The banking group said the number of black officials in management positions had increased by 42,6% during the financial year to end September 1995. It was the group's intention to have 2 000 blacks in its management team and at present growth rates, the target would be achieved by 1998.



MD Barry Swart said in his review of the year's activities the bank hoped to benefit from business opportunities arising next year when the provincial governments were in a position to borrow. FNB had won more than 70% of all the provincial banking business in SA, trebled its market share of local government business over the past two years and had gained a substantial share of

central government business.

Chairman Basil Hersov said in his review bond and rent boycotts threatened the ability of financial institutions to provide funding for home loans. Hersov said crime and the culture of non-payment stood in the way of economic prosperity and delivery of the reconstruction and development programme. "Unless we can reduce the level of crime, and this includes white-collar crime, all the best efforts of business and government will come to nothing."

He believed the crime problem was huge, but could be overcome, after which sustained economic growth prospects would be good.

FNB reported an increase of almost 23% in earnings per share and almost 21% in dividends for the year to September.

The bank's share closed unchanged at R35 on the JSE yesterday, against a year high of R37 hit earlier this month.

FNB says it is the leader with affirmative action

BD 22/12/95

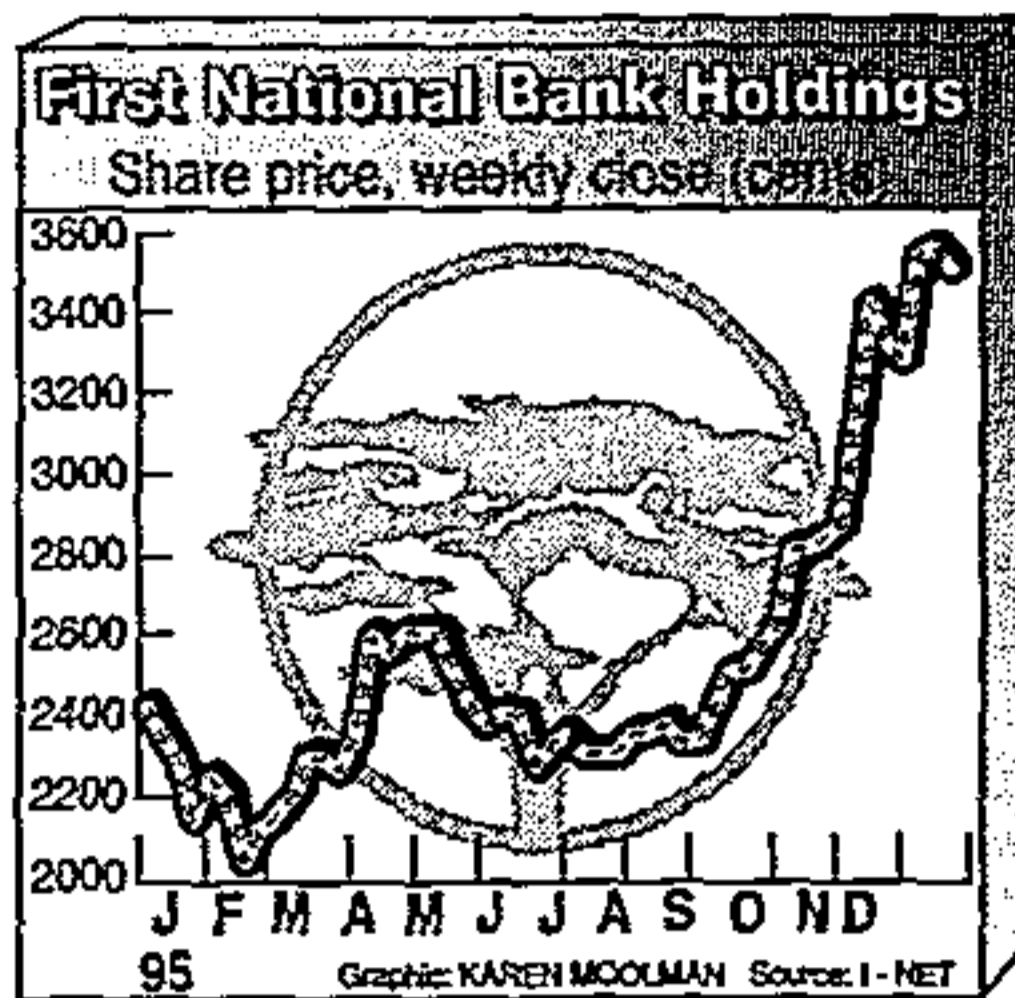
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