

MANPOWER — BLACK MOBILITY

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Unions 'indifferent'

ET 3/1/96

(176)

BARRY STREEK

THE indifference of trade unions to affirmative action may lead to the creation of a hostile black management elite, says Western Cape government labour official Mr MacDonald V Ntlabati.

He said affirmative action had become "a buzz word, and had lost its original meaning".

Mr Ntlabati wrote in the latest issue of *Infospec*, published by the SA Communications Service, that trade unions had not approached the issue systematically.

"The unions' gross indifference on a subject so close to them,

could lead to the rapid creation of a 'hostile black management elite', who would identify more easily with the current oppressive managerial styles.

"Currently the affirmative action appointments are made by white managers who are opposed to the process.

"They select black candidates whom they think would not be a threat to the 'normative Eurocentric values' of conducting business.

Mr Ntlabati said the public sector was "dragging its feet and in most cases every available technicality is applied to stall the process" of affirmative action.

Affirmative action agreement signed

(176) (20/11/96)
Renee Grawitzky

AN AFFIRMATIVE action deal providing for non-discriminatory appointments based on competence, but at the same time granting "disadvantaged" candidates preferential treatment in training and education for five years, was signed between Anglo-Alpha and seven unions yesterday.

The affirmative action agreement was signed between Cosatu, Nactu and affiliates of the SA Confederation of Labour, elected representatives of non-union mem-

bers and middle and senior managers in the organisation.

Anglo-Alpha Human Resources director Mervyn Foster said the agreement was a "good example of the participative transparency that SA management is moving towards.

"We have entered a new era of management strategy."

Construction and Allied Workers' Union organiser Glorious Mkwazi said the agreement took some time but it was a very good document and now the test lay in terms of its implementation.

Public service union goes to court

Clash looms over govt's hiring policy

David Greybe

(176)

BD 10/1/96

CAPE TOWN — A major court battle is looming between government and white public servants which could determine the course of affirmative action policies in the public service.

The white-controlled Public Servants' Association, SA's largest public service union, has lodged papers in the Supreme Court Transvaal Provincial Division challenging affirmative action plans in the justice department. But the department said yesterday it would oppose the application scheduled for February 7 in the Supreme Court, and threatened counteraction in the Constitutional Court.

Enver Daniels, special adviser to Justice Minister Dullah Omar, said the controversy was "of considerable public and national importance", and the outcome would have serious repercussions for other government departments seeking to restructure.

The association maintains the department is deliberately overlooking white employees in seeking "affirmative action appointees" outside the

public service to fill vacancies in state attorneys' offices countrywide.

Association GM Casper van Rensburg accused the department of adopting a statistical approach, or quota system, in filling posts without prior consultation and agreement with unions on rationalisation. This smacked of an unfair labour practice, he said.

Van Rensburg warned of an "irreversible situation", causing "irreparable harm" to existing employees if the department was allowed to proceed. He said the association was seeking safeguards for employees not considered for posts as a result of government affirmative action plans.

Daniels said the matter was of such importance for the overall restructuring of departments that the justice department was considering taking the matter to the Constitutional Court.

The department contends that the interim constitution's stipulation that the public service must "provide an efficient public administration broadly representative of the SA community"

Continued on Page 2

Public servants

Continued from Page 1

supersedes the Public Service Act, which favours existing personnel in the filling of posts.

Daniels said state attorneys were overwhelmingly white. This was unacceptable and the department was committed to appointing "people of colour".

He said if the court order being sought by the association on behalf of white state attorneys was granted "it will prevent us from restructuring the justice department to make it more

representative of SA's population".

In papers lodged in the Supreme Court on December 22, the association argues that the department did not follow strict guidelines laid down in the Public Service Act on the filling of vacancies. The Act stipulates that only the qualifications, level of training, merit, efficiency and suitability of applicants should be taken into account.

At the centre of the row is the filling of three state attorney posts, nine deputy posts and 18 senior assistant state attorney posts in Johannesburg, Pretoria, Durban, Cape Town, Port Elizabeth and Bloemfontein, which were advertised in November.

A man to keep you moving

(176) MHC (Pym) 12-18/1/96

The new British Petroleum Southern African head, Fred Phaswana, has made corporate history. **Lynda Loxton** reports

FREDERICK PHASWANA, the new chairman and chief executive of British Petroleum Southern Africa (BPSA) and head of BP's 13-country Africa Division, is no cosmetic, affirmative action appointee, but a BP man through and through.

This was borne out by the roar of approval that met the news of his appointment at the group's Cape Town offices from people he had worked with for more than 30 years.

Not only is he the first South African to run the Southern African operation, but he is the first black man appointed to head one of BP's five regional divisions.

The son of a tailor and a domestic worker, he was born in the Northern Transvaal town of Louis Trichardt in the heart of conservative white Afrikaners.

A bright pupil, Phaswana was sent to a Calvinist training college for primary school teachers at Bethesda near Pietersberg at the age of 13.

On completing Form Two, he went on to another church-run school, Emmarentia High School to complete his school leaving certificate.

But his stay at the school was prematurely halted when, three months before he was due to write his finals, he was expelled. The pupils had been protesting against the creation of the Republic of South Africa and some were woken up at two in the morning. Torches were shone in their faces and rifles poked in their ribs.

"They were only doing their job," Phaswana said without any bitterness.

"I wasn't hurt or anything like that. I was just rounded up with 10 others in my class, told to dress and put on a train back to Louis Trichardt.

"They told me that I would not be able to write my finals, even to finish school at all, unless I joined the police or the civil service, of course."

But Phaswana had registered to write his finals and had an examination number, which was all the examiners needed. So he was sent to a school in a



Fred Phaswana: 'There is headroom for everyone to grow now'

PHOTOGRAPH: ROGER BOSCH

rural area where he wrote his matric, obtaining a university exemption.

Because he was good at languages, Phaswana set his heart on a degree leading to a career in court interpreting. His brother agreed to help him finance his studies, but either forgot his promise or found it too difficult.

Anxious not to lose a good student, the University of the North contacted the then joint service company run by BP and Shell and arranged a bursary. The two companies set up in their own

right in 1974.

He went on to study part-time for an Honours degree in energy economics through Unisa and for a Masters degree in Dutch literature through Rand Afrikaans University.

In the meantime, he needed a job and went to the oil company saying: "Listen here, you gave me a bursary, now give me a job." The company was somewhat taken aback, but agreed to take him on in its personnel department.

"I hadn't a clue about BP, personnel

or anything else, so I asked what it was they did. When I gathered that they sat in an office and made plans for the chaps working at the bottom of the organisation, I said: 'Well, if that is what I am going to be doing, I think I had better go out there and work with the people on the ground. Then maybe I would become a better personnel officer.'

Phaswana rolled drums in depots and filled rail tank cars for some years but by 1973 he was a personnel officer and identified as a fast tracker. By 1988, he was appointed a general manager responsible for various portfolios.

Phaswana was appointed to the board of BPSA in 1989, and in 1992 he became president of BP Nederland and BP Belgium, based in Amsterdam and Brussels.

On the question of black advancement, Phaswana said that whites had little to fear from their black colleagues. Rather than complain about the lack of black skills, they should acknowledge that they themselves had been living in a restricted business environment.

"In developing black staff, we have

perhaps not applied ourselves as hard as we should," Phaswana said.

"It is a difficult problem, but we could have moved faster, more fundamentally. There is headroom for everyone to grow now and that is perhaps different from the past."

Phaswana takes over at a time when the South African oil industry is undergoing fundamental restructuring and he is under no illusions about the size of the task that faces him.

After years of tight secrecy and government regulations covering virtually every aspect of the business, deregulation and a greater openness have become the order of the day.

One of the most contentious issues in the industry is continued government subsidies to oil-from-coal producer Sasol. Even though these are being gradually scaled down, the fact that they continue to exist at all has been a bone of contention.

"We in BP do not have a problem in investing in the new refining capacity the market will soon demand," Phaswana said. "The caveat is how you do this when the playing field, set by government essentially, is uneven."

Too pale, too male for

(171) ST 14/1/96

promotion

THE Department of Justice has been accused by civil servants of blocking the promotion of white male state attorneys in a move they claim flagrantly disregards anti-discrimination laws passed by President Nelson Mandela.

In papers filed with the Transvaal Supreme Court three days before Christmas, the 100 000-member Public Servants Association claims that the department acted unlawfully by reserving vacancies at state attorneys' offices for affirmative action appointments.

It also claims that irregular procedures were followed in selecting candidates for the posts and that association members were discriminated against simply because they were white and male.

The department's decision to reserve senior vacancies for women and people of colour was conveyed to senior officials on October 27 last year at a meeting in Pretoria attended by the Justice Minister, Dullah Omar, and director-general, Jasper Noeth.

Implemented within weeks of 30 vacant posts for state attorneys being advertised on November 12, the department's policy is being challenged in the Supreme Court.

But it may finally be up to the Constitutional Court to rule on whether the department is doing what it regards as a "constitutional duty" or contravening legislation that outlaws race and gender as criteria for filling posts in the public service.

The Public Servants Association sought an urgent interdict last month to halt the appointment of three state attorneys, nine deputy state attorneys and 18 senior assistant state attorneys at offices in Cape Town, Durban, Port Elizabeth, Bloemfontein, Johannesburg and Pretoria.

But its application was held over, at the Justice Department's request, in light of the Christmas holidays. It is now due to be heard in Pretoria on February 7.

The department agreed not to make any appointments until after the matter had been brought to court.

The association's application is supported by affidavits from 16 white men, with experience ranging from four to 21 years, employed in state attorneys' offices in Cape Town, Johannesburg, Pretoria, Port Elizabeth and Bloemfontein.

All 16 qualified for promotion and submitted applications for more senior posts advertised, but, none were called before the selection panel.

A Department of Justice liaison officer, Pieter du Rand, confirmed on Friday that not one white male employed by the department had been interviewed for the posts. Of the 431 applications received, 73 were from incumbent employees, but Mr du Rand declined to say how many of these were white men. He would also not disclose what criteria had been used to draw up a short list of candidates.

But Enver Daniels, a special adviser to Mr Omar, said the vacant posts had been a "good place to start" making the Justice Department "representative of the population as a whole, which we have a constitutional obligation to do".

He said the department believed that Section 11 of the Public Service Act — which states that "no person who qualifies ... shall be favoured or prejudiced" in filling government posts — was "in conflict" with a requirement in Section 212 of the constitution that the public service be representative and efficient.

The Act, proclaimed by Mr Mandela soon after he took office, also demands that only the qualifications, efficiency and suitability of candidates for public servants posts be taken into account.

By MARLENE BURGER

The Public Service Staff Code, one of several amendments to the Act in the past 18 months, goes even further, stating that "methods used and/or instruments utilised in the selection process ... should be free of racial or gender bias".

Mr Daniels said, however, that the state attorney's offices were "overwhelmingly white-male dominated".

"It is no accident that white men hold virtually all the senior posts. Throughout the apartheid era, thousands of people were denied the opportunity of joining the public service, and our criteria for future appointments will include race, gender and even disability ...

"This is not about reverse discrimination; we are determined to redress the historical imbalance within the department."

He said that, as far as the Justice Department was concerned, "Section 212 of the constitution takes precedence over the Public Service Act, and we will not only vigorously oppose the pending court action, but will seek the Constitutional Court's support if necessary".

At least one senior official resigned in protest after learning that the department planned to fill vacancies by means of a quota system, and more resignations are expected.

An exodus of experienced staff at a time when crime is at unprecedented levels and conviction rates at their lowest in 17 years would place additional pressure on remaining employees, already stretched to the limit by an exodus in the past two years of experienced legal practitioners.

Jan Wagener, a deputy state attorney in Pretoria, tendered his resignation four days after the new staffing policy was spelt out, and filed one of the affidavits supporting the Public Servants Association court application.

He said the meeting was told that certain of the vacant posts would be reserved as "so-called Section 11 posts" while others would be "affirmative action posts". All posts that fell vacant this year would be filled according

to an affirmative action quota of "two or three to one".

Mr Wagener said he expressed concern at the meeting over a possible loss of efficiency, but his argument was rejected.

According to the court papers, when he asked what message he should convey to staff members about the advertised posts, Mr Omar replied that they should apply.

However, Mr Wagener said, when he asked the personnel head, Nic Grobler, immediately after the meeting "whether present incumbents at the offices of the state attorney would be considered and whether it was worth their while to apply", Mr Grobler said they would "merely be wasting their own time".

While the Justice Department will not disclose which employees are being considered for the posts, the association claims that only three officials — all women — were granted interviews.

One of them is Gadisa Behardien, who qualified as an attorney five years ago but has only one year of experience in the Pretoria state attorney's office.

Ms Behardien's husband, M N Hendricks, is also employed by the department, and was the man to whom inquiries about the advertised posts had to be directed.

At least nine of Ms Behardien's white male colleagues applied for the same post. All of them have been senior assistant state attorneys for between eight and 10 years, and each have about 19 years' service with the Justice Department.



DULLAH OMAR: at the centre of the row

BUSINESS

Sowetan 18/11/96

Blacks claim raw deal at Metlife

By Isaac Moledi

(176)

CERTAIN sections within Metropolitan Life have come out clearly against the insurance company's affirmative action policy, saying the programme is benefiting "male Afrikaners" more than blacks.

A source within the insurance outfit says black middle management is becoming impatient as people who have so far benefited from its affirmative action programme are male Afrikaners, whereas blacks are being "moved from one branch to another in the same positions".

The *Sowetan* source has established that since a black business consortium, led by South Africa's leading black businessman Dr Nthato Motlana, bought a controlling share of the company in 1994, the number of white general managers at the company's head office has increased from two to seven. None of them is black.

The rate of resignation is said to have increased as people who are hired say they are not given decision-making powers.

The source says the provinces mainly affected are Gauteng, Northern Province and Metlife head office in Cape Town.

Metlife, however, denies these allegations, saying its affirmative action programme is still on track.

Metlife public relations manager Mr Nico Oosthuizen says although none of the company's seven general managers at the company's head office are black, his company has made significant progress in relation to promotions.

"We have a clear-cut affirmative action policy that has been implemented over a couple of years and to date we are right on target," says Oosthuizen.

He says the number of white middle management increased from 153 in 1994 to 165 last year. Black increased from 78 to 91 in the same period.

Whereas the number of blacks in senior management position increased from eight to 12 last year, the number of whites remained at 39 during the same period.

Metlife assistant general manager Mr Wallace Albertine says of the 22 members of the top management structure only one is black.

"We have a limited number of positions for general managers but as the company grows, we are confident that new senior positions will be vacant and our objective is to see to it that a significant number of blacks occupy those positions," Albertine says.

Not only whites are disadvantaged by restructuring, says ANC

(176) Star 17/11/96

POLITICAL STAFF

The Interim Constitution obliges the Government to make the public service more representative and not only white people were disadvantaged by the need to restructure, the ANC said yesterday.

It was reacting to criticism by IFP

MP Koos van der Merwe that the Department of Justice's decision to reserve 30 vacancies for state attorneys for women and people of colour was shortsighted and indicative of the dangers of ANC-style affirmative action.

Van der Merwe said on Sunday that it was shocking and unconstitutional

that "at a time of rampant crime and lawlessness" 16 senior officials were not considered for appointment simply because they did not meet (Justice Minister) Dullah Omar's affirmative action criteria.

Part of the ANC's statement said: "it is quite wrong to create the impression that only white people are disad-

vantaged by the need to build an effective and representative public service. The Government has already announced plans to retrench thousands of civil servants from the former bastions."

The statement said affirmative action had been implemented in relation to a limited number of posts.

Fourfold rise in top black managers

(176)
A SURVEY on affirmative action programmes shows that the number of black senior managers increased almost fourfold last year, writes SVEN LUNSCHÉ.

The survey by FSA-Contact shows the proportion of blacks in senior positions has improved to 9,5% from 2,5% in 1994 and that of Asian managers from 1,5% to 3,5%. The proportion of whites fell to 87% from 96%.

At the middle management level, blacks last year constituted 7% (1994: 2,5%), Asians 7% (3,5%) and whites 74% (81%).

FSA's Harriet Weber says the survey, conducted among the firm's clients, also found that the number of companies with affirmative action programmes was increasing. "Last year 90% of those surveyed had affirmative action programmes in place although 42% were only informal programmes," she says.

Only 5% of the companies surveyed have a quota system. The majority rely on an improvement in the number and status of blacks employed.

A third of participating companies say affirmative action has been most successful in the area of sales and marketing.

An equal number say it has been least successful in the engineering and technical areas.

black

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Spoornet hitches itself to engine of affirmative action

ST (PT) 21/1/96 (176)

FGW industries internationally have been more bound by tradition than railways. Son followed father, promotion depended on length of service, jobs were rigidly defined, overstaffing was endemic, and hierarchies stubbornly resisted change.

South African railways were no different, but with the important added ingredient of the apartheid system, which dictated that management was almost exclusively reserved for whites, and the least skilled jobs for blacks. As one long serving manager says: "I have to admit that many of my colleagues saw themselves as the guardians of apartheid, not least because it was a guarantor of their jobs, and those of their children in the years ahead."

The commercial writing was already on the wall for South African railways with the onset of recession at the end of the 80s which led to a sharp decline in business and greater losses. But it was to be matched, and then exceeded, by the pace of political change, culminating in the 1994 general election which brought the ANC to power.

The combination of these commercial and political pressures has forced unprecedented changes on the industry, and mirrors the challenges faced by South Africa as it re-enters the world economy.

The commercial part of the process was launched in 1990 when the National Party government reorganised the transport sector. Transnet was established as the company with overall re-

ROGER MATTHEWS reports on an ambitious programme to empower blacks in South Africa's railway industry.



ALL ABOARD: Black railway employees can look forward to their destination

that by the end of 2000, blacks employed by Spoornet would form 80% of all trainees, 70% of supervisors, 50% of junior managers, 40% of middle managers, 30% of senior managers and 20% of executive directors.

Put another way, the overall composition would be 70% black and 30% white.

To move towards this objective Spoornet has adopted a 13-point human resources plan, which has at its core a commitment to appoint two blacks for every white, and to promote from within wherever possible. Evaluations are based on formal qualifications and experience. This is supplemented by the most ambitious training programme within the state sector. During a 12-month period over 500 people will attend an intensive two-week course designed specifically for Spoornet by the US consultants, Mercer Management Consulting, and aimed initially at experienced whites and new entry non-whites at middle management levels and above.

At the technical level, a computer-based business game has four teams competing against each other for business as they absorb the fundamentals of railway management, including planning, marketing and operations. At a personal level it means putting together long-es-

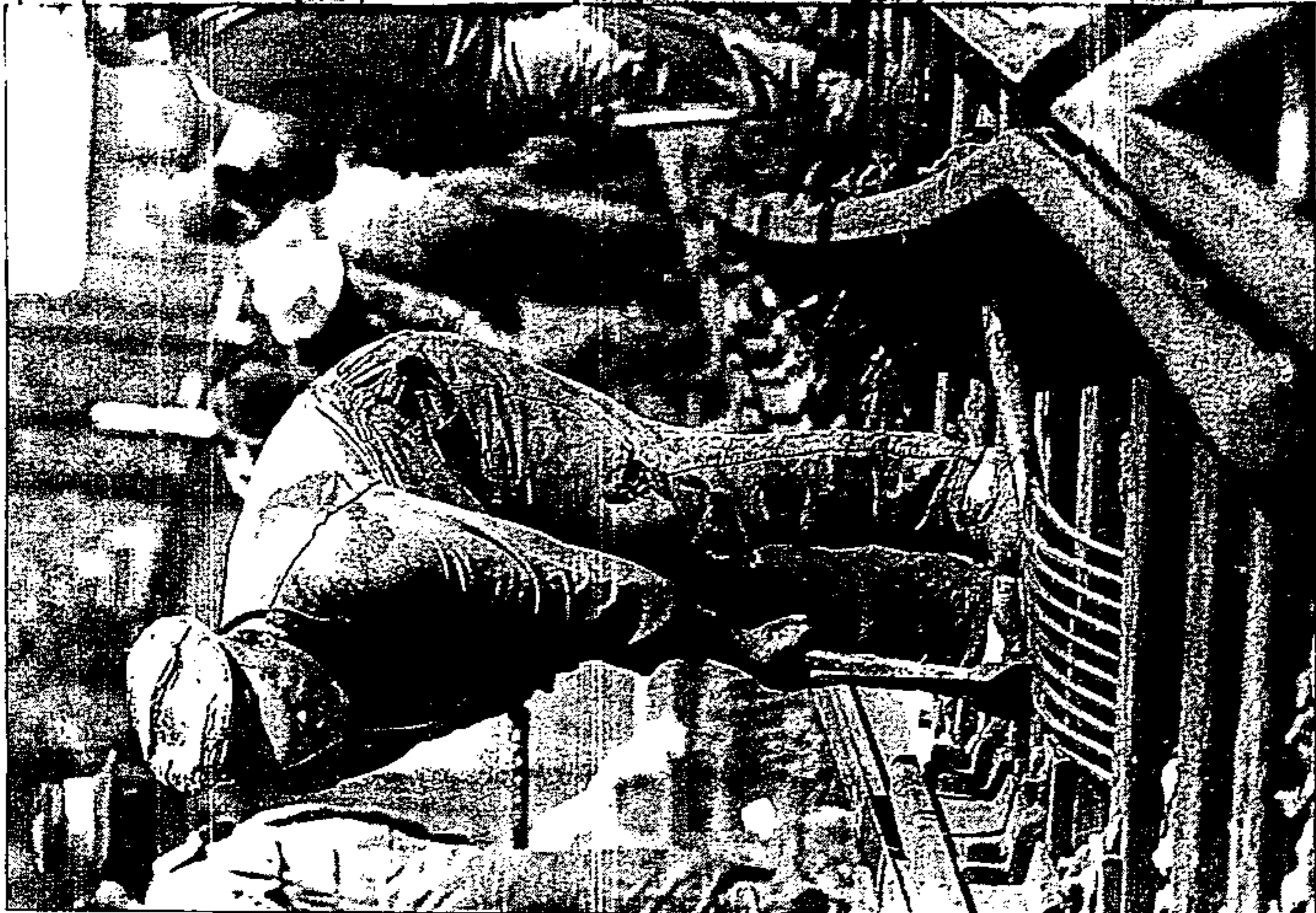
ablished white managers, who often feel they have little new to learn, with new black entrants who may have been with Spoornet only for a few months. Mercer executives, and the 15 Spoornet staff they have trained to oversee the programme, admit that entrenched racial attitudes are sometimes hard to overcome, but that there are also cheering examples of individuals acknowledging the skills and personal qualities of people with whom previously they would have had no professional or social contact.

The other key aim of the programme, according to Mr Verwey, is to instill in entrants a deep affection for the industry.

"There is huge competition in South Africa today for really capable people, so not only do we have to attract and train them, but we also have to keep them. We are hoping to make them fall in love with railways and keep alive the old belief that the railway is a job forever, something they join for life," he said.

Motivating middle-ranking white staff to believe they still have a future in Spoornet is no less of a problem, since their prospects for advancement have all too obviously been reduced.

Critics of the programme argue that Spoornet is attempting to tackle too many issues simultaneously, by forcing the pace of black empowerment while trying to become a more profit-oriented business. They might also reflect that is the challenge which no less faces the nation. — *Financial Times*



WRONG SIDE OF THE TRACKS: The policy of apartheid ensured that black employees had few opportunities beyond unskilled jobs

Women sprint their way up the corporate ladder

Mungo Soggot and Patrick Wadula

WHITE women have clawed their way into SA's new elite with a vengeance this year, increasing their slice of the directorship pie by 229%, according to the 1996 breakdown of SA's directorships.

The survey, which will be part of Robin McGregor's forthcoming new Directory of Directors, reveals yet another proliferation of multiple directorships: there are 66 directors who sit on more than 10 boards.

Business SA's Dave Brink stands out from the pack — he has increased his workload fivefold by taking on 20 new directorships in 1996.

Although 81 new directorships went to black men — a 29% increase on last year — only 5% of SA's directors are black.

Black men have made impressive gains in the multiple directorship stakes. Enos Mabuza comes top, having doubled his directorships to 12. He sits on the boards of Anglovaal, SABC, SA Breweries and Edgars.

Wiseman Nkuhlu of Worldwide Africa Investments now sits on seven boards, compared with only two last year.

Ntatho Motlana added only one new title to his name, bringing his total to nine.

But apart from Nkuhlu, and Nkuhlu,



BRINK

none of those on the list of black men with more than five directorships has increased his load by more than three new posts. But white men have made up for this restraint.

Apart from Brink's impressive contribution, multiple directorship stalwart Leslie Boyd from Anglo American added six new posts to his existing 23 directorships. Mike King of Anglo American held on to his title of SA's busiest white director, taking one new post to bring his total to 30.

Old Mutual's Buddy Hawton now sits on 27 boards, compared with just 12 last year. And John Maree, chairman of Eskom and Denel, has shot to No 6 position, increasing his posts to 21 from six last year.

Anglo American's Graham Boustred is one



MABUZA

of the few on the list to have cut his workload. He has ditched two posts to leave himself with 18 directorships.

The list of white women with more than one directorship is topped by Elizabeth Bradley, who now sits on seven boards. These include Metair, CG Smith and Tongaat Hulett and Stannic. Vivienne Mennel — on the Impala Platinum board — has taken on three new directorships which puts her one place behind Louise Tager — Transnet's new chairman — who held on to her No 2 spot with four directorships.

There has been a 129% increase in the number of black women directors, but there are only five black women who hold more than one directorship. The busiest black female director is Mabel Mabineni Weir.

She sits on five boards, including African Life, Thebe Investments and Telkom. She is followed by Pat Gorralla, who sits on the Transnet and SAA boards, and Nana Magomola, who also sits on Transnet and SAA, with three each.

In all, of the total 8 401 directorships in SA, 7 920 are held by white men (7 276 last year), 357 (276) by black men, 32 (14) by black women and 92 (28) by white women.

The survey's author, McGregor, puts SA's peculiar boardroom landscape in its southern African context.

He says 1 005 of the 1 390 sub-saharan companies covered in his book are SA.

SA and Zambia remain the most chauvinistic from a female director point of view with 1% and 0% respectively, while the least chauvinistic is Swaziland with 9% of its directorships occupied by women.

Out of a total 11 098 directorships in sub-Saharan Africa there are only 197 women, and only one of them — Elizabeth Bradley — holds more than five.

McGregor says SA wins hands down when it comes to multiple directorships. A massive 23% of SA directors hold more than five directorships. Next comes Zimbabwe with an 8% concentration of multiple directorships.

Boardrooms favour gender over race

Mungo Soggot
and Patrick Wadula

(176)

BD 1/2/96
BOARDROOM affirmative action has favoured sex above race this year, according to a survey of SA directors.

McGregors 1996 Directory of Directorships shows the number of directorships held by white women in 1996 has increased 229% to 92, but just 29% for black male directors to 357. Black women, meanwhile, occupy 32 board chairs, against 14 last year.

But the rainbow nation has yet to be reflected at board level: 7 920 of the 8 401 directorships are in the hands of white men, 65 of whom hold more than 10 directorships each. Anglo American director Mike King comes top of the list with 30 directorships, followed by fellow Anglo executive Leslie Boyd (29).

Enos Mabuza of Anglovaal and SA Breweries heads the list of the 11 black men who hold more than five directorships. Elizabeth Bradley of CG Smith and Metair tops the list of women, with seven directorships.

See Page 8

Newspaper black-wash?

(176) (176) M+G (PM) 2-8/96



Thabo Mbeki has accused the print media of a go-slow on affirmative action.

Jacquie Golding-Duffy surveys the industry to see if this is true.

On a head count, local newspapers have not done particularly well in furthering the cause of affirmative action. With more than 80% of the local media controlled by four players, namely: Times Media Limited, Independent Newspapers Holdings, Perskor and the Nasionale Pers, the recruitment of affirmative action candidates to the major conglomerates is slim with few black reporters in the newsroom and even fewer in the higher echelons of the media.

Beeld, an Afrikaans newspaper owned by Nasionale Pers, has been involved with in-house training of reporters since 1989. The recruiting of affirmative action candidates has been marginally successful with two black candidates in the newsroom, one at *Beeld* in Johannesburg and another in Cape Town-based *Die Burger*.

But Nasionale Pers claims to have many Afrikaans-speaking "coloureds" in its ranks at its Eastern, Northern and Western Cape operations, although few are active in the editorial sections.

"Although we want to attract more black people, being an Afrikaans newspaper makes the task of recruiting black reporters extremely difficult," said Nasionale Pers editorial manager Dolf Els, adding that most affirmative action candidates were unable to write in Afrikaans.

Beeld personnel head Marga Ley said people recruited by *Beeld* had to have a minimum three-year diploma or degree. "Only occasionally do we accept people with a matric certificate, but these candidates could be either black or white," Ley said.

She said there was no clear affirmative action policy with regards to recruiting in the editorial section of the paper, adding that the newspaper did "sort of have a programme that catered for recruits from disadvantaged backgrounds".

Rapport, an Afrikaans Sunday paper also owned by Nasionale Pers, said it too did not have a specific policy on affirmative action. News editor Herman Jansen said the newspaper did not have any training project in place for journalists.

Independent Newspapers Holdings deputy chief executive Ivan Fallon said the group was placing "emphasis on training all journalists", but was focusing on potential reporters from disadvantaged backgrounds.

"Because we have not got near enough senior black reporters and editors we have embarked on training appropriate candidates," Fallon said, adding that newspaper conglomerates could no longer claim there were no good black reporters.

Fallon said the Independent group was leading the way in training and appointing affirmative action candidates with, among others, a black editor at the helm of *The Cape Times*.

"Other than that, of the five editors we have got in Natal, three are Indian, and we also have two black deputy editors," Fallon said.

Newspapers in the Independent group stable include: *The Star* and *The Sunday Independent* based in Johannesburg, *Pretoria News* (Gauteng Newspapers), *The Mercury* based in Natal (Natal Newspapers) and *The Cape Times* and *Weekend Argus* (Cape Newspapers).

Times Media Limited finance daily *Business Day* said it aimed to give locals rather than foreigners preference when it came to



Media action: Few newspapers have enforced affirmative action in the newsroom

journalist job applications, provided candidates had the necessary skills to do the job.

Editor Jim Jones said the finance daily received lots of applicants from other African countries, among others, Nigeria.

"It's in these instances when we tend to seek out South Africans for reporting jobs because they are in tune with the various nuances of the country," Jones said.

"It's not so much the issue of affirmative action as it is about giving local South Africans an opportunity to be trained and promoted," Jones said.

"Many young people taken in have no experience and as a financial daily, we aim to give people a grounding in finance and investment," he said, adding that a series of in-house lectures and on-the-job-training together with organised business tours gave reporters an invaluable opportunity to make contacts in the finance world.

"Other newspapers are not training finance reporters and some overseas wire services dealing with finance establish themselves locally without any contribution towards training reporters in the financial field," Jones said.

Business Day has a total of three black reporters out of 17 on its finance side and four out of 16 news reporters.

The *Mail & Guardian* has five black writers, says editor Anton Harber. "We have done more entry-level training in the last 10 years than any of the bigger newspapers. Literally dozens of young journalists have come through our training course and many can be found in successful jobs throughout the industry. We are particularly proud of this.

"Unfortunately, the bigger groups have found it easier to pillage our ranks than do their own training — frustrating our attempts to groom a new generation of editorial staff into senior positions.

"But we are persisting with our training and with serious attempts to give opportunities to people who have been denied them. The future of the media industry depends on it," he said.

Gauteng Newspapers' daily *The Star* was "revisiting the rank and file" in a bid to

unearth previously ignored affirmative action talent.

Managing director Deon du Plessis said the company was "embarking on a whole range of things", such as "combing the operation for good people".

"We intend carving out career paths for people ranging from the highest to the lowest levels in the company," Du Plessis said, adding that the issue of affirmative action was "very much a priority".

No-one at the Independent group, including Gauteng Newspapers, could provide the *Mail & Guardian* with overall figures on its affirmative action reporters.

The Citizen, a daily newspaper owned by Perskor, said it did not have a specific training project for young journalists.

Assistant news editor Coen de Villiers said although the newspaper did not have an affirmative action policy, it was "in the middle of interviewing black journalists". Editor-in-chief Johnny Johnson would not comment on the newspaper's lack of training and the absence of an affirmative action programme.

Deputy President Thabo Mbeki's representative, Thami Ntenti, said affirmative action was a matter close to the hearts of many people, especially those who attended the conference on government communications held in Arniston last year.

Some of those who attended the meeting, formed Mbeki's 10-member task team aimed, among other things, at reassessing South African media in both affirmative action policies and control of the media.

"I think those people [who attended the conference] agreed in principle that there was a need in print media to pay attention to affirmative action because black faces are not sufficiently visible in the media," Ntenti said.

He added that media was "merely one aspect of the South African picture where past injustices had to be seriously addressed".

"The media includes people who form and shape opinions. There is a lack of balance in the country when the majority of opinion-makers happen to be white," Ntenti said.

"People cannot run away from the fact that our history in this country is such that we have this big gulf we have to bridge before we can say we speak as one voice."

Public servants taking Omar to court

BY SUSAN MILLER

~~(176)~~ (176) Star 2/2/96

A showdown is looming between the Public Servants' Association and Minister of Justice Dullah Omar over alleged discrimination against white males when it comes to filling vacant posts.

The department has been holding interviews for 51 vacant positions advertised in newspapers - but white men say they are being overlooked and ignored by the selection committees and that only women and black applicants are being interviewed.

The matter will come to a head on Tuesday in the Pretoria Supreme Court, where the PSA will seek an interdict against Omar over the "unilateral application of affirmative action" and disregard for previously agreed procedures.

The pending case has halted new appointments in the understaffed department, doing nothing to alleviate the staff crisis.

According to papers filed by PSA general manager Casper Janse van Rensburg, the Department of Justice never provided it with particulars regarding its personnel plan, policy framework and other information, including affirmative action.

Van Rensburg said they were not against the creation of a more representative public service, but felt angry by the department's decision to proceed with an affirmative action personnel plan that was still being negotiated. "We want to protect the collective bargaining process and must protect existing personnel in the department as it is not considering applications of existing staff members."

Van Rensburg added the PSA would request information from the department, including the minutes of meetings where an affirmative action policy was supposedly discussed, and seek to prevent the department from

making appointments until the matter has been negotiated.

The PSA contends the department ignored a "plethora" of statutory provisions and provisions of the various chapters of the Public Service Staff Code in reserving or earmarking certain of the vacant posts for so-called affirmative action appointments.

It also contends its members are being discriminated against on the basis of their race, colour and gender, contrary to section 8 of the interim constitution.

Although saying many interviews were being done, Witwatersrand Acting Attorney-General Kevin Attwell said it appeared that senior white males were being overlooked in favour of women and African staff members.

"It seems as if the department is actively trying to fill the posts but there could be some unhappiness among white men if they feel they have been overlooked."

SA and EU launch R65-million human rights programme

Star 2/2/96

President Nelson Mandela and EU commissioner Joao de Deus Pinheiro yesterday jointly launched a R65-million human rights

programme in South Africa at the Union Buildings in Pretoria.

On October 10 1994, the EU and the SA government signed an

interim agreement committing both parties to the promotion and respect of human rights and democratic principles. - AFP.

Lawyers slam public servants' court action

Star 5/2/96 (176)

BY DAISY JONES

The National Association of Democratic Lawyers (Nadel) has strongly condemned the Public Service Association for contesting the Justice Department's decision to apply affirmative action policy to the appointment of new attorneys-general and state attorneys.

Nadel said statements by the civil servants, who will appear in the Rand Supreme Court on Wednesday to argue against the allocation of upcoming posts to "people of colour and women", could not go unchallenged.

"The Department of Justice has accepted the challenge to do what is reasonable, necessary and justifiable to redress the racial and gender imbalances and disparities of the past," the association said.

"These white males", who had "profited from past inequities"; did not have "the credentials to do what is necessary to give effect to rectification, mechanisms and indeed the constitution of this country".

Many black and women lawyers outside the public service had the necessary qualifications, experience and capability to per-

form the duties of attorneys-general and state attorneys.

Affirmative action appointees would "bring to the public service a human rights culture needed in the new South Africa, where the supreme law is the constitution with a justiciable bill of rights".

The Public Service Association's application to the Supreme Court was based on racism and an attempt to return to the old apartheid order. The Department of Justice was to be congratulated for working "to make liberty in South Africa a reality and not an illusion", Nadel said.

Court halts appointments

(176) ~~258~~
Stefane Bothma
BD 7/2/96

PRETORIA — A status quo order granted by the Transvaal Supreme Court yesterday will halt any appointments to the state attorney's office until a dispute between the Public Servants Association and Justice Minister Dullah Omar about employing white males has been resolved.

In December the 100 000-member PSA applied for an interdict against Omar, claiming the justice department was acting unlawfully by reserving vacancies at state attorneys' offices for affirmative action appointments.

The matter was postponed to this week, but last Friday the justice department filed a counter application.

Yesterday's status quo order will allow the PSA to reply to the documents filed by Omar, PSA GM Casper Janse van Rensburg said last night.

THURSDAY
FEBRUARY 8, 1996 ★

Public

(176)



servants

CT 8/2/96

block Omar

OWN CORRESPONDENT

PRETORIA: A Supreme Court order has halted further affirmative action appointments in the Justice Department pending the outcome of a court action involving the Public Servants' Association and Justice Minister Dullah Omar.

Following an agreement between the parties, an interim order was granted interdicting Omar from filling certain vacancies in his department and offices of the state attorney unless the parties conclude a written agreement regarding a particular post.

No arguments on the merits of the case were heard and a final decision has still to be taken.

Mr Justice H J Preiss yesterday postponed the case indefinitely to give the applicants time to reply to the Minister of Justice's counter-application and answering affidavit.

This response must be submitted to the court by February 16. Omar must file a reply to the PSA's answering affidavit on the counter-application by February 23.

Omar has also been ordered to furnish documents to the applicants, including copies of letters between himself and Public Service and Administration Minister Dr Zola Skweyiya.

The Argus Correspondent

PRETORIA. — A Supreme Court order has effectively halted further affirmative action appointments in the Department of Justice pending the outcome of a court challenge by the Public Servants' Association.

The PSA challenge to Justice Minister Dullah Omar over the appointment of state attorneys is based on a section of the Public Servants Act which stipulates that posts should be filled without regard to any criteria other than qualifications, level of training, merit and efficiency.

Section 11 of the Act says people who have applied for a post should be considered regardless of race, colour or gender.

After an agreement between the parties yesterday, Mr Justice Priess granted an interim order interdicting Mr Omar from filling certain vacancies in the Department of Justice and offices of the State Attorney unless the parties conclude a written agreement on particular posts.

No arguments on the merits of the case were heard and a final decision has yet to be taken.

Judge Preiss adjourned the hearing indefinitely to give the applicants time to reply to the Minister of Justice's counter-application and answering affidavit.

This response must be submitted to the court by February 16. Consequently, Mr Omar must file a reply to the PSA's answering affidavit on the counter-application by February 23.

Mr Omar has also been ordered to furnish several documents to the applicants, including copies of letters between himself and Public Service and Administration Minister Zola Skweyiya, internal memoranda and a document setting out proposals for filling vacant posts.

In an affidavit, PSA general manager Casper van Rensburg stated: "This application concerns the unlawful actions of the respondent and/or his department and employees under his direct control in deciding to reserve certain vacant posts... by way of affirmative action appointments."

The PSA's application affects three posts for state attorneys, nine for deputy state attorneys and 18 posts for senior state attorneys.

Court challenge on affirmative action

AKG 8/2/96

176

176

Justice department could face second affirmative action challenge

David Greybe

CAPE TOWN — The justice department may face a second Supreme Court challenge to its beleaguered affirmative action policy, this time over the filling of posts for state advocates and magistrates.

The department suffered a setback last week when the biggest public service union, the Public Servants' Association, won an interim Supreme Court order halting further affirmative action appointments concerning state at-

torneys. The association yesterday accused the department of "continuing to act in an autocratic manner" in filling vacancies within the department.

It said the department was guilty of unfair labour practice by not first negotiating a "collective agreement" with unions the way other departments did. The department had simply gone ahead with filling posts at the end of last year while negotiations with unions on a rationalisation and affirmative plan were still under way. The association sought to dispel

fears that government's overall affirmative action policy was under threat, and said it had no plans to challenge other ministries over hiring policies.

However, government sources have warned that the court outcome could have serious repercussions for the restructuring of other departments. At the centre of the row is an apparent inconsistency between the interim constitution and the Public Service Act.

The constitution calls for promotion of a public service "broadly representative of the SA community", while the

Act stipulates candidates who applied for a post should be considered regardless of race, colour or gender.

Association GM Casper van Rensburg warned the department was "forcing the association's hand" if it continued to fill posts in the absence of an affirmative action policy negotiated with unions.

Employee dissatisfaction over the department's hiring policy had spread to magistrates and state advocates (who appear in the Supreme Court on behalf of government).

The department, in turn, said "normal filling" of posts was continuing in accordance with the "relevant prescribed measures" and with due regard to the constitution.

Van Rensburg dismissed claims in some government circles that his association was concerned only about white public servants. "This is not a black versus white thing. This is about unfair labour practice."

He said his association was simply

Continued on Page 2

Public service

(176) (176) (176)
Continued from Page 1
BD 12/2/96

seeking a collective agreement on an affirmative action policy framework similar to those which unions had concluded with other departments without having to resort to court action.

The association is insisting that departments consider "all applications" as part of an agreed process to enforce greater representation.

The interim order granted last week interdicted Justice Minister Dullah Omar from filling 30 vacancies in state attorneys offices countrywide unless

the parties concluded a written agreement. A final hearing is scheduled for next Friday.

The association's challenge is based on a section of the Public Service Act which specifies that posts should be filled with regard only to qualifications, merit, efficiency and training levels. The department has argued the interim constitution supersedes the Act which, it contends, favours existing personnel in the filling of posts.

Omar's special adviser Enver Daniels said last month it was unacceptable that state attorneys were overwhelmingly white, and the department was committed to appointing "people of colour".

Black trainee managers see high pass rate

BY FRANÇOISE BOTHA

~~(176)~~ (176)
CT (BR) 14/2/96
Cape Town — Unisa's African Management Programme, used to train aspirant black managers, has seen a 90 percent pass rate for its first year in operation, based on a strong mentorship drive, says Professor Gerhard Cronjé of Unisa.

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

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

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

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

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

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

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

Prosecutors 'in crisis'

~~STAFF WRITER~~
(176)

STATE advocates told Minister of Justice Dullah Omar yesterday that prosecutors' offices were in a crisis due to resignations and the department's affirmative action policy.

The Society of State Advocates said they had told Omar they blamed their difficulties on "grossly

CT 14/2/96
inadequate salaries" and the way he had been handling appointments and promotions in their ranks where merit was being "totally ignored" without possibility of promotion for those not qualifying on affirmative action criteria.

The advocates said that since November last year 10% of state advocates had resigned.

tical impossibility — syndicate prosecutions will simply collapse in this office."

D'Oliviera says nine senior and junior advocates have resigned from the AG's office since December. Eight of the office's 74 posts were already vacant, representing the largest brain drain it has experienced.

He blames the resignations on poor salaries, understaffing, an excessive workload and an unsympathetic attitude on the part of the Public Service Commission's central bargaining council, which determines most civil service salaries.

"They don't regard us as professionals," he says. "As a result the salaries and working conditions of senior staff through to junior staff cannot compete with the private sector."

He criticised the Justice Department's present approach to affirmative action, saying it was contributing to the understaffing of State law offices because key positions were being held open in the hope of filling them with suitably qualified blacks.

Two of the 11 deputy AG posts in his office are vacant for this reason.

"I have no problem with affirmative action, but with the way they apply it. Surely additional posts could be allocated to accommodate the policy," he said. "It's as if the folk in high places don't know the realities of the work we do."

Some government officials, however, dismiss such complaints as veiled attempts to maintain white staff dominance in justice offices.

Both the Transvaal and Witwatersrand AG's offices have been forced to hire former staff — at far higher retainers than the salaries they used to earn.

A former Transvaal deputy AG who has been contracted to complete a prosecution he was working on before he resigned, now earns R480 000/year — twice as much as the AG and R340 000 more than his erstwhile colleagues, some of whom are Silks.

Meanwhile, State attorney offices in at least five main centres are being prevented from filling 30 State attorney vacancies while a legal wrangle drags on between the white-controlled Public Servant's Association (PSA) and the Justice

Department over the department's affirmative action methods.

The Supreme Court has issued a status quo order on the appointments while it hears submissions from the two parties.

The PSA, the country's largest public sector union, claims the Justice Department failed to consult on its affirmative action plan and proceeded to implement a policy of racial quota-setting that unfairly curtails the careers of serving white civil servants. The Justice Department counters that it is acting in accordance with the Interim Constitution's stipulation that the public service be "broadly representative" of the population.

Justice Minister Dullah Omar outlined the department's new policy in a meeting with senior Justice officials last October.

PSA GM Casper van Rensburg says there are signs of disgruntlement from groups of State advocates and magistrates towards the Justice Department's affirmative action policy.

The PSA had received inquiries from State advocates in Johannesburg and Pretoria and magistrates in Cape Town about the possibility of legal action.

Dissatisfaction has also surfaced in the State legal profession in Durban, where five senior magistrates resigned earlier this month, citing dissatisfaction with salaries and lack of career prospects. ■



Dullah Omar

JUSTICE DEPARTMENT
176

AFFIRMATIVE INACTION
B FM 16/2/96

The criminal justice system — already strained by overworked and underpaid staff, poor morale and job shortages — faces a new crisis as controversy over the Justice Department's affirmative action practices appears to be growing.

Transvaal Attorney-General Jan D'Oliviera this week warned that prosecutions of criminal syndicates will collapse in the four former Transvaal provinces under his jurisdiction (excluding the Witwatersrand) unless key staff vacancies are filled by the end of the month.

Of the core team of four senior advocates who handle syndicate prosecutions, one has resigned and two are considering leaving, says D'Oliviera.

"That will leave only one to handle dozens of prosecutions, which is a prac-

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12.1. Die Organisasie
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ownership or any interest which anyone may have in respect thereof; or

(c) assisting any person who has committed an offence, whether in the Republic or elsewhere—

(aa) to avoid prosecution; or

(bb) remove or diminish any property realised directly or indirectly as a result of the commission of an offence shall be guilty of an offence.

It will also be an offence to assist another person to benefit from the proceeds of crime. Any person who acquires, uses or has possession of property, knowing or having reasonable grounds to believe that it is or forms part of the proceeds of crime of another person, shall also be guilty of an offence.

The Bill also provides that if any person who carries on a business or who is in charge of a business undertaking has reason to suspect that any property which comes into his or possession or the possession of the said business undertaking in the ordinary course of business is the proceeds of crime, he or she shall be obliged to report his or her suspicion and the grounds on which it rests, within a reasonable time to a person designated by the Minister.

The proposed legislation together with two other measures, namely the Extradition Amendment Bill and the International Co-operation in Criminal Matters Bill, all of which are designed to assist in the fight against organised crime, are presently with the law advisers and will be submitted to Cabinet for approval before the end of March 1996.

The legislation will enable South Africa to accede to the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, also known as the Vienna Convention. The Convention addresses, inter alia, the topic of the proceeds of drug trafficking and obliges signatories to enter into treaties in relation to such proceeds.

Business interrupted in accordance with Rule 199(3) of the Standing Rules for the National Assembly.

Wrongdoing by financial institutions

*13. Prof B TUROK asked the Minister of Finance:

Whether, in the light of recent disclosures of wrongdoing by financial institutions such as Masterbond and others, any legislation has been or is to be introduced and/or steps have been or are to be taken ensuring (a) adequate control of the conduct of agents, representatives, advisers and intermediaries, (b) complete disclosure of information by any person or body soliciting monies for investment necessary for the protection of potential investors, (c) the full compliance with the requirements of participation mortgage bond legislation and (d) that (i) the common and statutory laws relating to the duties of auditors are adequate to protect the interests of investors and (ii) such duties are carried out by them; if not, why not; if so, what legislation and/or steps?

NISE

The MINISTER OF FINANCE:

(a) The Policy Board for Financial Services and Regulation (Policy Board) has appointed a committee, ie the Investment Business Advisory Committee (IBAC), to conduct a study and make recommendations on a possible regulatory structure in terms of which the business and responsibilities of agents, representatives, advisors and intermediaries referred to, may be regulated. The Policy Board is currently in the process of considering the findings and recommendations of IBAC and it is foreseen that the Policy Board will in the course of this year finalise its views to enable it to make the necessary recommendations to the Minister of Finance with regard to the principles for the proposed regulatory structure as well as draft legislation to formalise these proposals.

The terms of reference of the Commission of Inquiry into the Affairs of the Masterbond Group includes an investigation into and a report on the question whether our common law and existing legislation provide sufficient protection to investors and the public in general and to make recommendations to the President in this regard. I am informed that the Commission's investigations have reached an advanced stage.

(b) One of the principles contained in the IBAC proposals is that more meaningful disclosure of the material aspects relevant

to a particular investment or financial services will be required to be disclosed to the consumers concerned.

(c) The Registrar of Unit Trust Companies has met with the Association of Participation Mortgage Scheme Managers in South Africa and obtained the cooperation from industry that full compliance with the requirements of the participation mortgage bond legislation as well as meaningful disclosure to investors will be adhered to by the industry.

(d) (i) The functions that an auditor of a company should fulfil in respect of the protection of the interests of investors are also included in the terms of reference of the aforesaid Commission.

(ii) The Registrar of Unit Trust Companies has, after discussions with the South African Institute of Chartered Accountants (SAICA), succeeded in convincing SAICA to establish an interest group consisting of auditors who are responsible for the audit of participation mortgage bond schemes. Within this interest group it was impressed upon the auditors concerned to, when they do their audits, take into consideration the risk areas that are prevalent within this industry as well as to comply in full with the relevant provisions of the participation mortgage bond legislation.

Affirmative action: legislation (776)
*14. Mr S J DE BEER asked the Minister for the Public Service and Administration:†

(1) Whether, following the White Paper on Transformation of the Public Service, he is contemplating to introduce legislation in regard to affirmative action; if not, why not; if so, when;

(2) whether he will make a statement on the matter?

NIGÉ

The MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION:

(1) No, I have no intention to introduce separate legislation on affirmative action.

However, in dealing with the total redrafting of the Public Service Act, 1994, which is presently being undertaken, the inclusion of a part on affirmative action will be considered.

(2) No.

National language plan for South Africa

*15. Dr F J VAN HEERDEN asked the Minister of Arts, Culture, Science and Technology:†

Whether the Government has appointed a task group with a view to the formulation of a national language plan for South Africa; if not, why not; if so, (a) who are the members of the task group, (b) what are the academic and/or other qualifications of each of the members of the task group, (c) in which languages is each member of the task group proficient, (d) which bodies have been consulted in connection with the appointment of the members and (e) by which date does the task group have to complete its work?

N17E

The MINISTER OF ARTS, CULTURE, SCIENCE AND TECHNOLOGY:

Yes.

(a) The members of the task group are as follows:

Dr N E Alexander (Chairperson)

Ms Q Buthelezi

Ms K D Mboweni-Marais

Prof C T Msimang

Prof A C Nkabinde

Dr G K Schuring

Prof V N Webb

Dr S M Beukes

(b) Their qualifications are as follows:

Dr N E Alexander: PhD (Tübingen); Director of the Project for the Study of Alternative Education in South Africa, University of Cape Town.

Ms Q Buthelezi: MA (African Area Studies) (University of California);

Ms K D Mboweni-Marais: BA (Wiltwatersrand). Founder member of

Huge fines for employers in plan for enforcing affirmative action

ART 20/2/96 (176)

ESTELLE RANDALL, Labour Reporter

A CONTROVERSIAL Department of Labour draft discussion paper has proposed that affirmative action be enforced in both the public and private sector.

Private companies that fail to apply affirmative action could be subject to fines of up to R500 000.

And the draft proposes that within four years all public sector departments should try to be at least

50 percent black at management level.

Also within four years, at least 30 percent of new recruits in middle and senior management in the public sector should be women.

And within 10 years, two percent of public service personnel should comprise people with disabilities.

Black people are considered to be those formerly classified as or who regard themselves as African, Indian or coloured.

People with disabilities are those who have any "persistent physical, mental, psychiatric, sensory or learning impairment", including people socially disabled by Aids.

These are some of the suggestions contained in a fifth draft discussion paper on affirmative action and employment equity from the Department of Labour.

A Green Paper discussion document on Employment Equity is scheduled for publication in April and a draft bill is to be presented to cabinet by June.

The legislation will aim to ensure equality in the workplace so that nobody is denied access to employment opportunities or benefits for reasons unrelated to ability.

The draft document suggests that no compulsory quotas be imposed on employers in the private sector, but a carrot and stick policy will be applied to pressurise employers.

Quotas should be fixed voluntarily within enterprises and be based on the regulatory framework of the relevant law.

Laws governing implementation of employment equity in the private sector should contain a set of punitive measures for companies which violate the norms of employment equity, according to the latest departmental discussion paper.

It suggests that employers deemed not to be fulfilling their obligations will not qualify for state tenders, or contracts from state departments or parastatals.

They will also be liable for higher corporate taxation and could face fines of up to R500 000, payable into an employment equity fund.

Employers with "best practices in employment equity" would be eligible for tax incentives. Those who show a commitment to employment equity but who lack sufficient funds to embark effectively on such programmes will get financial help.

These lists of employers will be tabled in parliament by the minister of labour and then published in the government gazette, it is proposed.

The Employment Equity Branch of the proposed Employment Standards Commission will monitor employment equity legislation and affirmative action policy.

The Employment Standards Commission is a new body, proposed in the department's current Green Paper on Minimum Employment Standards.

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Affirmative action plan drafted

CAPE TOWN— The labour department has drafted a discussion document proposing a mix of sanctions and incentives to promote affirmative action in the private sector and firm quotas for the public sector, an official said.

Communications director Jerry Majatladi said that the document, about to be circulated in a sixth draft, would be put to government, labour and business representatives at an informal workshop in Johannesburg on Friday.

"The overall objective is to produce a green paper and ultimately legislation to address inequities in the workplace that we inherited from apartheid," he said.

The Argus newspaper, quoting from a leaked early draft, said the proposals included fines of up to R500 000 for companies that violate employment equity. The draft did not include a quota for the pri-

vate sector but proposed sanctions for companies that refused to implement affirmative action and incentives for those that did.

"The discussion does cover sanctions, but these are thought of in terms of access to government orders rather than fines," Majatladi said. Tax incentives for top performers were also mooted.

The newspaper said the fifth draft proposed that within four years all government departments should be 50% black and 30% female at management level.

However, Majatladi said that the document had no status. "It was drafted by the directorate of labour relations at the department as a basis for discussion. It does not represent government's view." It was hoped draft legislation would be presented for passage through Parliament this or next year. — Reuter.

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21 February 1996

Adapt to affirmative action or be fined up to R500 000 says draft paper

Star 21/2/96 (176)

BY PATRICK BULGER
Political Correspondent

Cape Town- The Government is set to adopt tough new measures, including the possibility of fines and tax disincentives, to speed up affirmative action in the public and private sectors.

Legislation based in part on a

draft policy paper being discussed within the Department of Labour will be ready before the end of June and would become law during the current session of Parliament, Labour Director-General Siphosiso Pityana said yesterday. The draft policy paper, which was leaked to the media yesterday, proposes fines of up to

R500 000 on companies that fail to implement affirmative action policies.

It proposes that government departments should be 50% black at management level within four years and that 30% of middle and senior management should be women within four years.

At least 2% of public service

staff should be disabled people afflicted by physical, mental, psychiatric, sensory or learning impairment.

Compulsory affirmative action quotas would not be introduced for the private sector but there would be incentives for companies that promote employment equity.

Firms that do not follow the new policies could be disqualified from tendering for government business and face fines.

Although the policy is still in a "rudimentary stage", its broad thrust is to accelerate affirmative action and to promote employment equity which is a measure of the representivity of sectors of the

population in a firm or government department.

The policy proposals drew a sharp reaction from Democratic Party leader and Labour spokesman Tony Leon, who described the policy as "on the face of it, a complete disaster", while National

▲ ... To Page 2

'Adapt or be fined' plan

176

► From Page 1

Party labour spokesman Leon Wessels said any affirmative action policies had to be introduced with "great care", especially in the private sector.

The new policy would promote blacks (defined as Africans, coloureds and Asians) as well as previously disadvantaged groups such as women, the disabled and sufferers of the HIV virus.

Pityana said the department had not reached an "official position" on the affirmative action moves but was engaged in a process of interdepartmental consultation before other stakeholders were brought on board. On Monday, labour officials briefed government departments on possible developments.

The draft policy reflects a concern at the highest level of government that affirmative action is not happening as rapidly as it could be.

In his opening of Parliament speech two weeks ago, President Nelson Mandela criticised "people in positions of influence and power who, at best, pay lip service to affirmative action, black empowerment and the emancipation of women or who are, in reality, opposed to these goals".

He referred to "people who continue with blind arrogance to practise racism in workplaces and schools, despite the appeal we made in our very first address to the Parliament".

Mandela said he wanted legislation on employment equity to be passed during the year.

Commenting on the proposals, Leon said they went against the grain of the market and would encourage a form of "rapid tokenism".

Star 21/2/96

Tough lines to push affirmative action

Sowetan 21/2/96 (176)

Proposed fines of up to R500 000 on companies who fail to implement

Sowetan Correspondent

THE Government is set to adopt tough new measures, including the possibility of fines and tax disincentives, to speed up affirmative action in the public and private sectors.

Legislation based in part on a draft policy paper being discussed within the Department of Labour will be ready before the end of June, and would become law during the current session of Parliament, Director General of Labour Mr Siphon Pityana said yesterday.

Although the policy is still in at "rudimentary stage", its broad thrust is to accelerate affirmative action and to promote employment equity which would be representative of sectors of the population in firms and government departments.

The policy proposals drew a sharp reaction from Democratic Party leader and labour spokesman Mr Tony Leon, who described the policy as "on the face of it, a complete disaster," while

National Party labour spokesman Mr Leon Wessels said any affirmative action policies had to be introduced with "great care", especially in the private sector.

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Pityana said the department had not reached an "official position" on the affirmative action moves, but was engaged in a process of inter-departmental consultation before other stakeholders were brought on board. On Monday labour officials briefed government departments on possible developments.

The draft policy paper, which was leaked to the media yesterday, proposes fines of up to R500 000 on compa-

nies that fail to implement affirmative action policies. It proposes that government departments should be 50 percent black at management level within four years, and that 30 percent of middle and senior management should be women within four years.

At least two percent of public service staff should be disabled people afflicted by physical, mental, psychiatric, sensory or learning impairment.

Compulsory affirmative action quotas would not be introduced for the private sector, but there would be incentives for companies that promote employment equity. Firms that do not follow the new policies could be disqualified from tendering for government business.

The draft policy reflects a concern at the highest level of government that affirmative action is not being implemented as rapidly as it could be.

New laws to boost affirmative action

CT 21/2/96
POLITICAL STAFF

THE government is set to adopt tough new measures, including possible fines and "tax disincentives", to speed up the implementation of affirmative action.

Legislation based on a draft policy paper being discussed by the Department of Labour should become law during the current session of Parliament, Labour director-general Mr Siphon Pityana said yesterday.

Although the policy is still in a "rudimentary stage", its broad thrust is to accelerate affirmative action and to promote employment equity.

The proposals drew a sharp reaction from Democratic Party leader Tony Leon, who described the policy as, "on the face of it, a complete disaster".

National Party labour spokesman Leon Wessels said any affir-

(176)
mative action policies had to be introduced with "great care", especially in the private sector.

The draft policy paper, which was leaked to the media yesterday, proposes fines of up to R500 000 on companies that fail to implement affirmative action policies.

It proposes that government departments should be 50% black at management level within four years, and that 30% of middle and senior management should be women within four years.

At least two percent of public service posts should be held by disabled people.

Compulsory affirmative action quotas would not be introduced for the private sector, but there would be incentives for companies that promote employment equity.

Firms that do not follow the new policies could be disqualified from tendering for government business.

Legislation may force the pace of empowering line managers

Lucky Madikiza and Patrick Wadula

A QUICK glance through the annual reports of major local companies shows few have been slow to bring black directors onto their boards.

The latest figures from research group McGregor's confirm the emergence of a clique of black directors — sitting on numerous boards — just as a white clique has dominated (and still does) the local corporate landscape.

Down the ladder in crucial line management, however, the picture of empowerment in action is not quite so dramatic.

The issue is likely to become more pressing now, following news that the labour department is mooting plans to slap heavy fines on companies reluctant to promote employment equity.

Legislation, which could include tax disincentives and fines of up to R500 000, could be ready as early as June.

A labour department discussion document says firms which do not play the game could be disqualified from taking on government tenders.

While compulsory quotas will not be introduced for the private sector, the paper says, there may be incentives for companies that promote employment equity.

Though companies point to varying progress in bringing on black middle management, a snap survey shows business falling well behind the goals set by the

Black Management Forum.

By the turn of the decade, the forum wants 40% of middle management and 50% of junior management to be black. The forum says it has seen a shift in companies toward seriously attempting to implement affirmative action. The pace, however, remains slow.

Figures from three of SA's largest groups show the middle management figure varies from less than 3% to 14%.

"Shortage of technically skilled blacks to take up positions in large companies should not be a problem," a forum spokesman says. "Companies of such magnitude should be able to plan ahead and integrate their affirmative action programmes with their human resources policy."

Absa, the largest banking group in the southern hemisphere, has 161 male black middle managers (2,8% of the personnel at that level). Female (all colours) middle management is 20%. Black staff at Absa account for 24,6% of its 38 000 employees, against 16,3% in 1993.

The banking group says there is a limited number of people with banking skills it could employ and it is embarking on an intensive training and development strategy through Africa Growth Network to overcome that obstacle.

But the bank also has to contend with the problem of employees who have not bought into the affirmative action drive, which it says has hampered appointments.

BD 22/2/96 (176)

This, the group says, has necessitated conducting intensive "diversity workshops" to change old attitudes.

Eskom, meanwhile, can point to a black middle management that now stands at 14%, against just 5,5% in 1993 — and that is its weakest performance.

Blacks now command 18% of junior management positions and 20% of senior general management — this despite the parastatal's complaints that there are few candidates available that have the necessary management, technical and engineering skills relevant to the electricity business.

A spokesman says that Eskom, however, suffers the same problem plaguing other employers. "Affirmative action appointees frequently leave to take up higher paying jobs elsewhere."

Gencor, one of the few top companies that has no black board representatives, says between 5% and 6% of middle management is black — a rise of 1,5% over last year. Again, the problems relate to the dearth of skilled personnel, it says.

Human resources CE Mike Russoff says the mining group can easily recruit personnel into human resources, but mining engineers and production managers are another matter.

"There are a limited number of people who have the skills we want.

"Some have good education but not much experience, and it becomes difficult to tell how the person will perform," he says.

Business SA will seek to counter equity legislation

Renee Grawitzky

(176) (176)
BD 22/2/96

BUSINESS SA plans to argue that there is no need for separate employment equity legislation as the new Labour Relations Act provides for the establishment of sufficient institutions to address this issue in the workplace.

A member of the BSA task team on affirmative action Christo Pretorius said yesterday that the Affirmative Action Policy Development Forum would meet today in a workshop to finalise discussion on a fifth draft discussion document on affirmative action policy and employment equity.

This document, circulated months ago amongst all the stakeholders, was allegedly leaked to the media this week.

Pretorius said Business SA was of the view that institutions such as workplace forums as proposed by the Act were sufficient for social partners to reach agreement on affirmative action.

The unfair labour practice definition to be incorporated in employment standards legislation would deal with anti-discrimination while such cases could be referred for adjudication to the labour courts.

He said government should not only be focusing on shuffling privileges amongst those already in employment but on "affirming the whole of society".

The Directorate of Equal Opportunities, he said, could act in an enabling role and, taking into account costs, there was no need for additional bureaucracy and legislation.

In an earlier article on this discussion document, the labour department's equal opportunities director Mpho Makwana said the forum, which was established at the request of stakeholders, had provided them with an opportunity to debate such issues before formalised negotiations commenced within the National Economic, Development and Labour Council (Nedlac).

Pretorius said the workshop today constituted the final workshop before the labour department formulated and published a national policy blueprint on employment equity to be tabled in Nedlac next month. He said employers would request the establishment of a multilateral drafting committee (as was the case with the Labour Relations Act) to draft the final proposal to be tabled in Nedlac for the negotiation of a social charter.

The department said the workshop would pave the way for the drafting of a green paper on affirmative action and employment equity.

Phone fraud task team

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Firm employs blacks

(176) Sowetan 22/2/96

By Shadrack Mashalaba

AUDITING firm Coopers & Lybrand has committed itself to increasing the number of black professionals in its employ this year.

The company now has 300 professional staff members from the black communities which is a 50 percent increase on the 1994 figure.

The shortage of black accountants in the country has resulted in black people being snatched up as soon as they have passed the qualifying examination, at inflated salaries, says the company's spokesman, James du Preez.

"As one of the big six auditing firms in the country, for a number of years we have now been applying affirmative action and to further promote the process we have concluded an association agreement with three black audit practices last year," says Du Preez.

In terms of the agreement, Coopers & Lybrand will train staff from AH Moosa & Company, Saboor & Gani & Company and Masuku & Associates, who do business as MSGM, he says.

Three years ago, Coopers & Lybrand launched Business Skills SA with the Black Chambers of Commerce to train nearly 4 000 small business people.

BLACK EMPOWERMENT

BREAKS FOR SMALL FIRMS

(176) PM 23/2/96
 A black millionaires' club has been riding the crest of the investment wave in SA, but in the Western Cape concerted attempts are being made to foster the emergence of a black middle class from the ranks of little-known township entrepreneurs.

Spearheading black economic empowerment in the region is Wesgro, a nonprofit company contracted by the Western Cape Economic Affairs Department to handle investment promotion on its behalf. It is currently facilitating 25 new projects, including joint ventures, direct fixed investment and franchise operations.

Equally vociferous in its efforts is law firm Mallinicks, which has blazed a trail in brokering business deals for black entrepreneurs in Cape Town — the most notable being the lucrative McDonald's food distribution contract recently awarded to two unknowns, David Taliwe

and Sam Dube.

Taliwe is a BCom graduate and has five years' experience in transport and distribution. Dube opened a fast food outlet, an electricity vendorship and Khayelitsha's first petrol station.

Mallinicks, which has a history of civil rights work, was approached by McDonald's US distribution company Andersen-Dubose to find black entrepreneurs equal to the task in SA. The outcome is ASP Distributors, a company owned by Taliwe, Dube, Sam Kgobisa (from Gauteng), Spar and Warren Andersen, owner of Andersen-Dubose. ASP Distributors holds the rights to service all McDonald's hamburger outlets in SA.

Mallinicks also nurtured a deal between Rennie's Travel, part of Saffren, and Guguletu property developer Zitulele K K Combi to form Master Currency last month. It will operate a chain of foreign currency bureaus in Cape Town.

Mallinicks' Alan Jetha says that the biggest obstacle to black economic empowerment is that lending institutions do not class property holdings in townships as sufficient security. Aid packages and bank finance are generally geared towards multimillion rand projects while most of the deals struck by Mallinicks are in the R250 000 to R500 000 range.

With seasoned credibility in both the black and white business sectors, Mallinicks has linked both by matchmaking white capital with black business potential.

That it has fallen on a law firm to fill this role, albeit with support from Wesgro and the department, speaks volumes about the polarisation of black and white business. And it's hardly surprising that, until now, choice projects have gone to a core group of black businessmen in Gauteng.

Wesgro's Rafiq Bagus says black entrepreneurs need far greater access to investors if the broad-based empowerment so essential to SA's economic recovery is to be achieved. The key to unlocking black economic empowerment, says Bagus, is through tie-ups between large SA companies and small black operators — not because of a sense of social responsibility but from enlightened self-interest.

Says Jetha: "We are seeing the beginning of the real transfer of economic power and skills to a new black business class. The ceiling on black aspirations has been lifted and the talent that is emerging is incredible." ■

Kahn quits society in defence of Omar

GLYNNIS UNDERHILL

Staff Reporter

WESTERN Cape Attorney-General Frank Kahn and three deputies from his office have resigned from the national Society of State Advocates in protest at its threat to take Justice Minister Dullah Omar to court over the exclusion of white males from the affirmative action process.

The issue came to a head after society chairman Billy Downer said legal action was being considered. He also criticised the lack of transparency on an affirmative action programme.

At the centre of the controversy is an issue highlighted in the recommendation by Mr Kahn that two senior promotions in his office go to a female and coloured candidate he regards as "excellent" professionals who have faced discrimination in past years.

In response to the resignations Mr Downer stressed the society was committed to affirmative action — and denied its approach was racist.

"The society welcomes the attorney-general's proposal that a dual system regarding appointments and promotions be instituted, encompassing both promotions on pure merit and promotions on an affirmative action basis," he said.

Such a system would not exclude white males from promotional prospects, said Mr Downer.

Mr Kahn said he believed the Society of State Advocates was "well-intentioned" but it was one of the many bodies which could not accept change at present.

"Representativity is too vital an issue to be shrouded in controversy. In some quarters, it cre-

■ The apparent exclusion of white males from the affirmative action process has sent ripples through the corridors of the office of the Western Cape Attorney-General.

ates unrealistic expectations, while in others it is perceived as being obstructive to career advancement. At this stage of our transformation, a clear strategy on representivity, however problematic, must be formulated.

"To close the door on people who have been disadvantaged over the years, is shortsighted and unjust. What will have to be done during this transition is to put a greater emphasis on potential ability rather than proven ability. Potential ability in this context means shorter experience balanced by notable skill," said Mr Kahn.

The Western Cape attorney-general's office had for the past three years embarked "zealously" on a process of demystifying the legal system through civic contact on various levels.

"The ultimate destinations of community participation therefore lies in representivity. Representivity brings with it its own brand of communicative skills and informed thinking which would strengthen the arm of justice," said Mr Kahn.

Mr Downer said the society had learnt "with regret" of the attorney-general's resignation as a member, together with those of three deputy attorney-generals, a senior state advocate and a junior state advocate in Cape Town.

"The society wishes to emphasise once again its

(176) ARG 24/2/96

commitment to affirmative action. Any perception that the Society is against affirmative action is false. So too is it false that the society seeks to protect a small group of white males, or that its approach is racist.

"We insist merely that a procedure of affirmative action promotions be adopted, in which males, as a matter of fairness, are not totally excluded. Unfortunately, the most recent procedure seems to have excluded white males totally."

Legal action remained "under consideration," said Mr Downer.

The attorney-general had indicated at an early stage that he differed from the society's approach to the question of affirmative action and he took no part in the society's decisions, said Mr Downer.

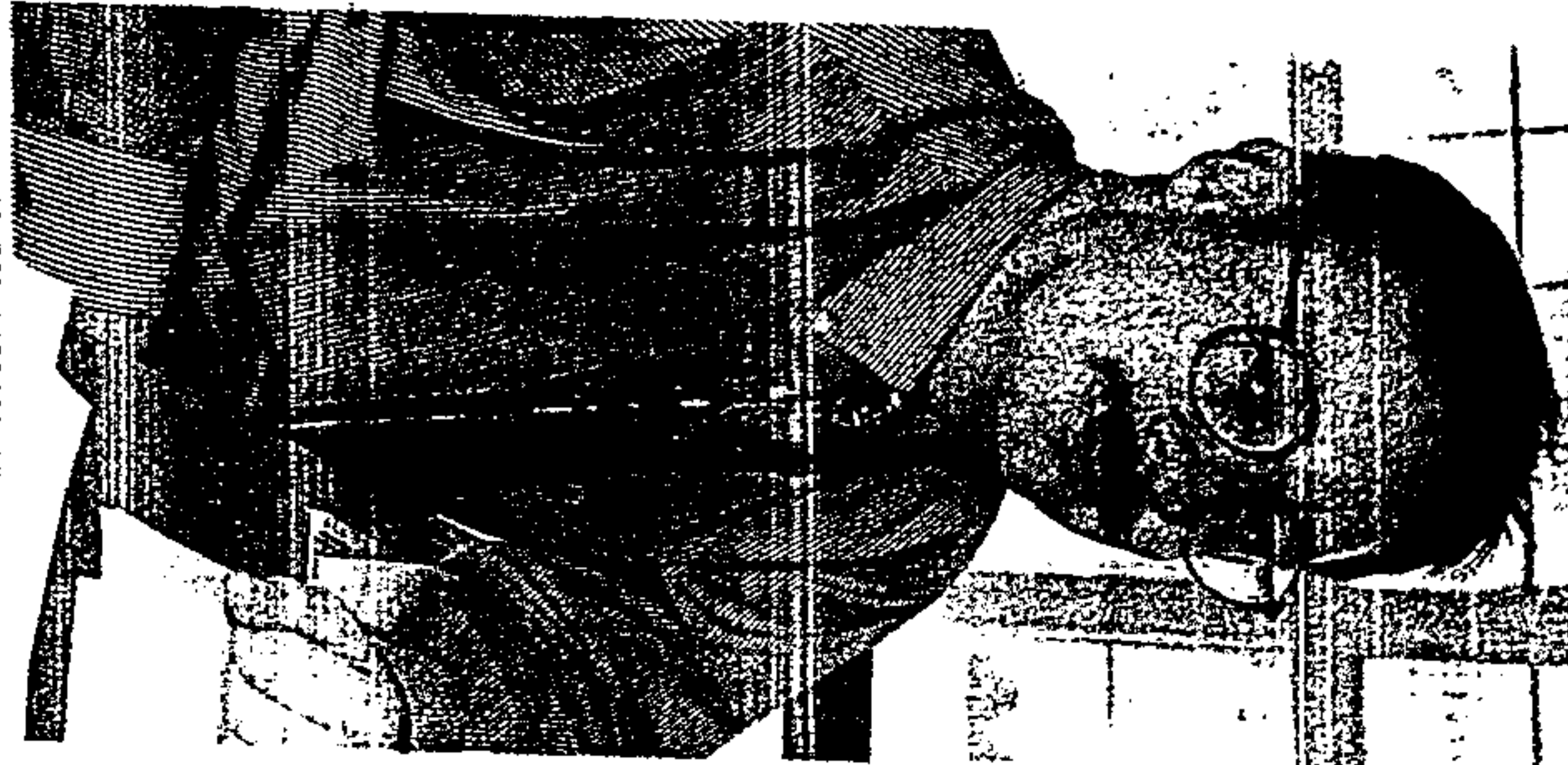
Mr Downer said Mr Kahn's resignation was respected, although regretted.

"The other members who resigned did not give reasons for doing so. If they have anything to do with the Society's stance on affirmative action or salaries, such resignations are surprising and unfortunate. Full consultation regarding the society's stance took place and not a word of dissent came from any member.

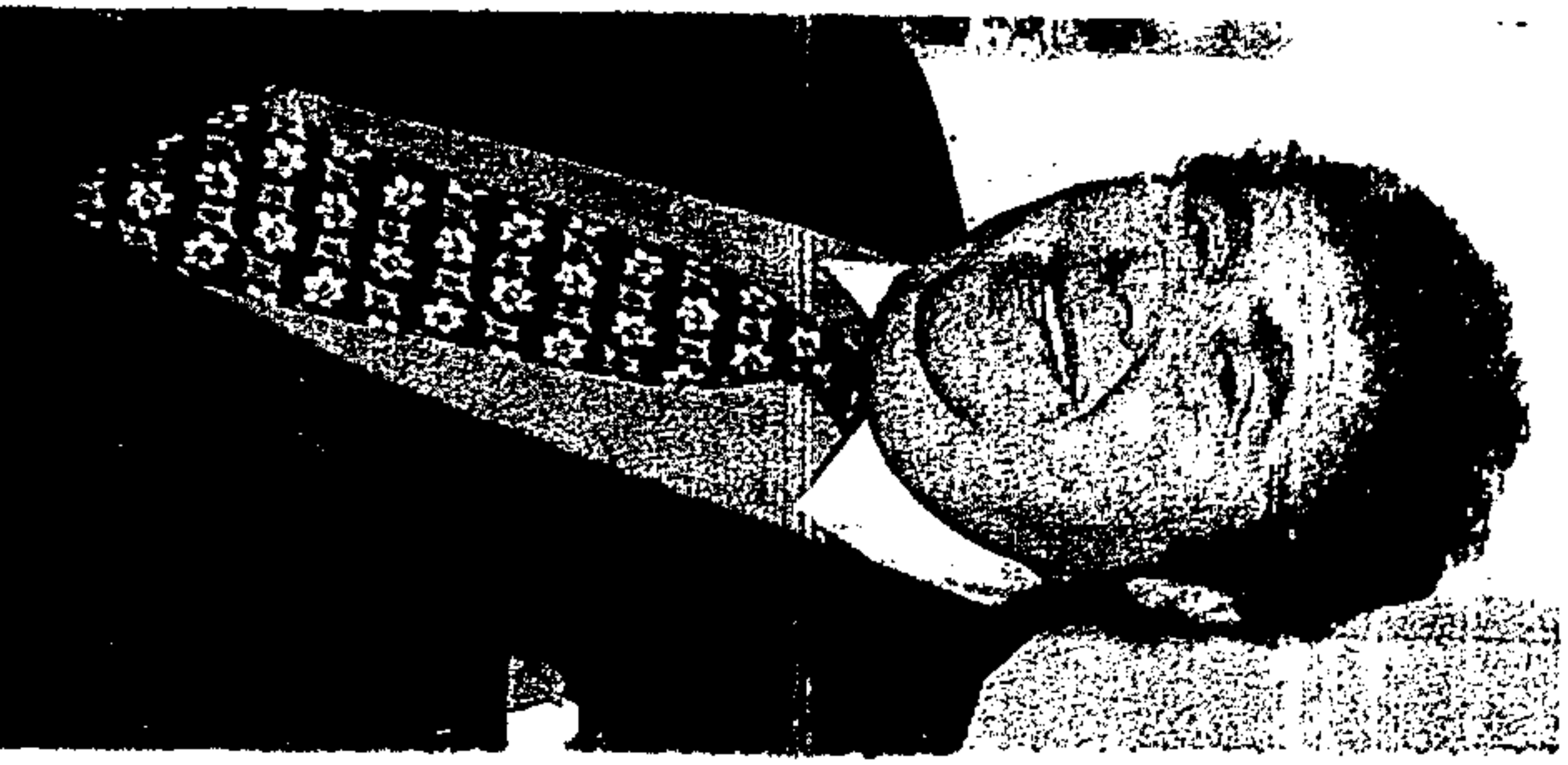
"Most members actively supported our actions and it is to be regretted that some of them appear not to choose to stand by their own decisions, in the glare of publicity."

Mr Downer said it "goes without saying" that employees should freely voice concern on matters regarding employment practices, without fear of reprimand on the part of the employer.

"The society has sought to criticise the department's affirmative action practices in this spirit," he said.





□ SOCIETY CHAIRMAN: The chairman of the Society of State Advocates, Billy Downer, insists the organisation is not opposed to affirmative action.



□ OUT: Western Cape Attorney General Frank Kahn has resigned from the national Society of State Advocates. Pictures: OBED ZILWA, Staff Photographer

employees.

CF 28/2196 
Qualified blacks
sought in vain 

THE Western Cape legislature had reserved 24% of its middle-management positions for blacks, but was having difficulty finding qualified people, director-general Herbert Beukes said yesterday.

Beukes told the legislature's portfolio committee that 50% of the present posts were filled by whites, 26% by blacks or coloureds and the remainder were vacant.

Tito denies punitive quota system is set to be law

VASANTHA ANGAMUTHU
Political Staff

LABOUR Minister Tito Mboweni has denied he was on the verge on legislating quotas which would mean that companies would be fined if they did not employ more black staff.

Speaking during a mini-debate on affirmative action quotas yesterday, Mr Mboweni denied that a document leaked to the press last week - which sets out a fine of half a million rand for companies not heeding the quota - was intended as policy. Mr Mboweni was

responding to questions from the Democratic Party which demanded to know whether the Labour Ministry was intending to introduce a quota system.

Mr Mboweni said: "The document referred to is a discussion document and does not reflect the Ministry of Labour's policy. I have not approved the document."

He added that his Department was actively engaged in formulating policy on affirmative action and employment equity with a view to dealing with apartheid based workplace dis-

crimination and to prevent this from happening in future.

"Employment Equity is facilitating workshops with stakeholders at national and provincial levels. Ideas and views gathered at the workshops are captured in draft discussion papers for further development."

A green paper on affirmative action and an Employment Equity Bill should be ready during the second session of Parliament this year.

Mr Mboweni also attacked the DP for tabling the debate, saying: "It is extremely pre-

tentious on the part of those who have benefited from job reservation, special Christian National Education and other policies to come before this House and say that a democratic government must not do anything to reverse those policies.

It is pretentious to say leave everything to the market when those policies distorted the historical development of our country."

DP leader Tony Leon said any attempts to introduce a punitive quota system would fly in the face of equality policies as expressed by President Mandela.



DENIAL: Labour Minister Tito Mboweni

APL 29/2/96
(178)

AFFIRMATIVE ACTION

(176)

CARROTS AND STICKS

KM 1/3/96

Government's plans to promote affirmative action — in the public and private sectors — will become clearer by June. That's when the Department of Labour is expected to release a discussion document, or Green Paper, on the subject. It will be tabled in the current session of parliament, says Labour Director-General Siphon Pityana, who last week rushed out a statement intended to dampen the minor furore triggered by a discussion paper that was allegedly "leaked" to the media from his department.

It appears that the leaked document, which includes the startling proposal of fines of up to R500 000 on companies that don't introduce affirmative action, is only a draft capturing ideas that have emanated from the Affirmative Action Policy Development Forum. This is a nonstatutory body of stakeholders, including business, which serves "as a platform to exchange ideas on policy options for affirmative action and employment equity."

It was launched by Labour Minister Tito Mboweni last year. Pityana claims that the process is still in its "rudimentary" phase, with the department facilitating workshops of stakeholders at national and provincial levels. The views and ideas of the forum "do not represent official positions or policy of the department and the Ministry," he adds.

While Labour Ministry sources suggest that the more sensational leaked proposals will not find their way into the Green Paper (that fine, for instance?), some of its other ideas do chime with guidelines already adopted by Water Affairs and other State departments. For example, in procurement from the private sector, Water Affairs obliges suppliers to implement affirmative action at their firms in order to be considered for

tenders or contracts.

Such a requirement is also spelled out in government's November 1995 White Paper on transforming the Public Service, which envisages legislation to strengthen affirmative action programmes.

The Public Service White Paper defines affirmative action as laws, programmes or activities designed to redress past imbalances and to ameliorate the condition of individuals and groups who have been disadvantaged on the grounds of race, colour, gender or disability. It envisages such programmes being based on detailed analyses of the specific disadvantages faced by these three groups, and distinct strategies for overcoming them.

Like last week's leaked document, the White Paper also proposes the setting of targets (as opposed to rigid quotas) in terms of which public service departments must try, within four years, to be at least 50% black at management level, and women should make up at least 30% of new recruits to middle and senior management. Within 10 years, it adds, people with disabilities should comprise 2% of public service personnel.

These guidelines obviously reflect government thinking, at least as regards "employment equity" in the public sector. They therefore seem likely to form part of the Green Paper and legislation to follow. While the precise nature of carrots and sticks for the private sector has yet to emerge, it is clear government is intent on speeding up affirmative action across the board.

In his opening of parliament speech, President Nelson Mandela castigated "people in positions of influence and power who, at best, pay lip service to affirmative action, black empowerment and the emancipation of women, or who are, in reality, opposed to these goals. . . . The message I am trying to convey is that all of us must take the national project of accelerated and fundamental transformation of our country very seriously indeed." ■

Accountants on verge of opening ranks in affirmative action push

By SHIRLEY JONES

Durban — South Africa's 32 000 chartered accountants are poised to vote later this week in favour of opening their ranks to lesser qualified accountants.

The pending changes within the South African Institute of Chartered Accountants (SAICA) could create more opportunities within the profession, unlock valuable resources (especially among aspiring black accountants) and may help counter

white-collar crime. Pieter Wicht, SAICA's director for commerce and industry, said far-reaching changes on which the institute is asking members to vote through a referendum, were largely in response to pressure from business.

Voting in the SAICA referendum, which has been open for about two weeks, closes on March 7.

The council's recommendation is to widen membership by providing a four-level career ladder to accommodate students, technicians,

general accountants as well as chartered accountants.

Wicht said this was a reaction to requests from employers within the private sector as well as from parastatals, such as Telkom, which were now employing differing levels of accountants.

Wicht said Australia had 85 000 registered accountants in its 17 million population. South Africa had nearly double the population, yet only 32 000 accountants.

Wicht said greater access to the

institute would further affirmative employment strategies and create a base from which entrepreneurs could operate.

Opening membership did not mean dropping standards, he said. It would become increasingly difficult to get to the top where chartered accountants would act as role models.

Wicht said changes within the institute were also in response to an increasing tendency to brand qualifications for market recognition.

"Chartered" would remain the premium brand in the accounting sphere, he said.

Wicht said the real difference was that up until now the institute had acted as a finishing school, directing a consistent stream of applicants through a limited number of companies able to supply adequate accredited practical experience. Now that additional rungs were likely to be added to the accountants' ladder, SAICA expected a major increase in capacity and

a substantial increase in applications at all levels. He also expected a number of additional businesses to come on board to provide training across the accounting spectrum.

Experience in parts of Africa and the Far East showed that the threat of lost earnings acted as a deterrent against white-collar crime and fraud, he said.

Ernst & Young's Nigel Provis believed most chartered accountants were in favour of the principle of widening membership.

(17h) CR (ER) 4/3/96

Staff reform plan ahead of schedule

Stephen Laufer

BD 8/3/96

(176)

THE foreign affairs department was ahead of schedule in transforming its staffing patterns to more accurately reflect SA's population, director-general Rusty Evans said yesterday.

With public service commission targets requiring 50% of staff across the civil service to be black by 1998, foreign affairs had already filled 40% of posts with black candidates. Four of five deputy directors-general were black. Among the new intake were 50 members of the ANC's international affairs department.

A comprehensive review of all staff members designed to test their suitability for the foreign service was under way. Just under half of the department's 2 200 employees had already been notified of the results.

Of the 1 008 who had received official letters, 188 had been told they would be required to leave the department within the next six months. Among these were 56 employees who preferred not to be transferred to Pretoria from the former TBVC capitals, 50 employees of the old foreign affairs department, and 82 other TBVC diplomats found unsuitable.

There were likely to be further employees declared redundant among those still to receive official letters.

Efforts would be made to find employment within the civil service for all foreign affairs personnel on the retrenchment list, and those who could not be absorbed would receive generous severance packages and pensions according to length of service.

It had been particularly difficult to transfer TBVC diplomats to the new department, Evans said, particularly those at lower ranks.

AFFIRMATIVE ACTION

FURORE OVER QUOTAS

(176)
FM 8/3/96
The controversial document setting out quotas for affirmative action and fines for noncompliance (*Current Affairs* March 1) may have been a "shot across the bows" by Labour Minister Tito Mboweni.

The phrase is Tony Leon's, of the DP, who last week instigated a parliamentary minidebate on the issue.

Despite official denials that the document represented policy — an early version of a Green Paper on affirmative action and ensuing legislation — Leon is convinced that it was a "strategic leak" to the media and that Mboweni was seeking to "create an atmosphere of debate."

The DP leader quoted from President Nelson Mandela's opening address to parliament last year, when he called "on all our people to refuse to listen to the false prophets who seek to perpetuate the apartheid divisions and imbalances of the past by presenting affirmative action as a programme intended to advantage some and disadvantage others on the basis of colour and race."

Yet, as the *FM* pointed out last week, Mandela this year denounced "people in positions of influence and power who, at best, pay lip-service to affirmative action . . ." This stance is tougher than before, and some fear it presages measures to enforce affirmative action to the detriment of the economy.

Leon told parliament: "The draft itself

does not embrace quotas directly, but it brings quotas in through the back door — through fiscal disincentives for companies which do not meet certain targets — and it explicitly endorses race, gender and disability quotas in the public sector."

Racial and "patriarchal" discrimination were anathema to the DP, "and we therefore fully support positive action aimed at redressing past discrimination."

However, Leon continued, "South Africans have identified jobs as what they need most. Should not this government be concentrating on economic growth to establish 50% more black and 30% more women in the work force, rather than creating new opportunities for bureaucratic proliferation and deracialisation of our society? Does this government believe . . . that quotas and disincentives will lead to an expansion or a contraction of the labour market?"

Mboweni labelled the document as one solely for discussion — "I have not approved the document."

But, without giving details, he said an Employment Equity Bill should be before parliament later this year. Leon believes that such a Bill would not be as extreme as the leaked document; but that there could be "elements" of quotas in the law.

He says he was disquieted to find the Department of Labour "offering way-out and zany measures coming out of the International Labour Organisation and its social statutes."

If the document was leaked to provoke public awareness that government intends giving statutory force to the "new patriotism," it has had a negative effect on business confidence. And business creates jobs. ■

Support for affirmative action

BD 11/3/96

(176)

Ingrid Salgado

A LARGE number of companies support legislation regulating affirmative action, but most reject the implementation of quotas, a Black Management Forum and Ernst & Young survey has found.

The survey of more than 100 medium and large private and parastatal organisations across various industries showed that 65% of companies would support legislation that imposed targets, but an overwhelming 82% rejected quotas.

This indicated that the battleground when legislation on employment equity was introduced would revolve around the content of legislation, rather than the fact that legislation was being introduced, Ernst & Young management services director Julian Nagy told an Institute of Directors affirmative action workshop.

The labour department is drawing up a green paper on employment equity, to be presented to the National Economic, Development and Labour Council.

Nagy said the study found successful af-

firmative action programmes were those where line management drove projects and where affirmative action targets were set as part of divisional business plans. Clear, formal statements of intent on affirmative action policies and stakeholder involvement were also strongly correlated with success.

He warned that the sample used in the study was skewed because participants tended to be organisations which practised affirmative action or were not opposed to it.

The study found that a shortage of suitably qualified candidates and industry competition meant internal development would be critical to the success of companies' affirmative action programmes.

Mean expenditure in SA on training as a percentage of payroll stood at 2% compared with 4% in the US. That SA was a developing country spending less on training than a developed country meant internal development would be crucial for SA as a whole, Nagy said.

The study found affirmative action appointees were performing "better and better". Initial problems were being ironed out,

undermining the traditional argument that standards would drop as a result of affirmative action.

There seemed to be a rapidly increasing perception among companies that their programmes were succeeding, Nagy said. Expectations stemming from affirmative action would be greater this year than previously, indicating that companies which started implementing programmes only now would face greater challenges than those whose programmes were under way.

The study showed that top executives saw affirmative action as a strategic necessity but few could articulate how programmes would strategically benefit their companies. "Organisations would do well to apply their minds to this," Nagy said.

The workshop also heard that 70% of recruited management were white and more than 90% of promotions went to white employees compared with 5,7% to blacks.

A University of Cape Town Graduate School of Business project showed that 72% of workers immediately below management level on the Paterson scale were white.

two
pages

Companies set to rethink their recruiting practices

Renee Grawitzky

(176)
BD 14/3/96

SA-BASED companies are gearing themselves up for changes in their recruitment practices in view of provisions in the Labour Relations Act which will grant internal and external applicants the right to demand the reasons for their non-selection.

Carolyn Williams of FSA-Contact said yesterday that previously applicants could not query their non-selection for a particular position.

Williams said "in future, if it is felt that the selection process was discriminatory, unsuccessful applicants could institute action against the employer".

This, she said, did not preclude employers from implementing affirmative action policies, although positions could not be advertised as "affirmative action" positions.

The right of an applicant to query reasons for non-selection would force employers to apply an "objective system and criteria" for appointments.

The implementation of an objective system and criteria, which would apply also to internal promotions, had to measure the applicant's "abilities, qualifications and experience against pre-selected criteria determined as necessary for a particular job".

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Union fights affirmative action

By MARLENE BURGER

THE Public Service Association has asked the Transvaal Supreme Court to set aside a "special dispensation" in terms of which Justice Minister Dullah Omar sought to promote affirmative action in his department.

The application is an attempt by the 100 000-member PSA, the largest union representing government employees, to consolidate gains in stopping alleged reverse discrimination in the Department of Justice.

Last month the association won an order temporarily preventing the department from using a quota system to fill 30 vacancies in Cape Town, Durban, Bloemfontein, Port Elizabeth, Johannesburg and Pretoria.

The February 6 order was granted after the union claimed the Justice Department was contravening the Public Service Act of 1984 in reserving posts on a ratio of "two or three to one" for affirmative action appointments, and blocking the promotion of white males in the process.

The union's application was supported by affidavits from 16 white men employed by the department who were all in line for promotion and applied for

the posts advertised on November 12, but were never called before the selection panel.

In papers filed with the Transvaal Supreme Court last week, the association claims the Public Service Commission exceeded its mandate in granting the "special dispensation" last October before the Justice Department had drawn up and negotiated its proposed affirmative action programme with the unions.

The dispensation was granted after Mr Omar appealed to the Minister of Public Service and Administration, Dr

Zola Skweyiya, for advice on how he might "promote representivity" within his department — after being told by his own legal advisers that Section 11 of the Public Service Act prohibited consideration of race or gender when making appointments.

Dr Skweyiya responded that Chapter B (Special) of the Public Service Act offered the loophole Mr Omar sought, provided that staffing of the vacant posts did not prejudice officials "who could later become redundant as a result of rationalisation".

The association argues in its appli-

cation that Chapter B (Special) was a negotiated compromise intended to apply only until April 30 last year, and that extension of that date to October 31 was a unilateral decision by the Public Service Commission.

Mr Omar's response to the association's claims is that Section 11 of the Public Service Act is invalid, since it is at variance with the interim constitution, which demands that the public service be "broadly representative of the South African community".

Mr Omar also claims that without the special dispensation, his depart-

ment would have had to "continue making appointments in the old way which would have perpetuated and aggravated lack of representivity".

The association made the application after negotiations with the Justice Department broke down and the matter could not be settled out of court.

On February 20, representatives of the department refused to accept documents containing the state attorneys' settlement proposals, and failed to table any of their own.

The new application is due to be heard in Pretoria on March 26.

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gop



US civil rights leader Dr Martin Luther King and President Lyndon Johnson ... several decades later, African-Americans are still facing institutionalised racism.

The politics of affirmative action

sowetan 18/3/96 (176)

By Mzimasi Ngudle

“WHY ARE you always crying? What is this call for affirmative action? Why can't you help yourselves?”

These blunt questions from a Malaysian colleague ruffled the feathers of an advocate of affirmative action during a visit to Los Angeles in the United States last month.

When she answered, Ms DeBorah Sunni Smith of the Southern Christian Leadership Conference stripped naked the racist nature of American society.

“The question presumes that we are not helping ourselves. I have four degrees, including a masters in law,” she said. “But I still walk into a job where I find myself working for someone who has never been to college.

“And all because of my colour. What it means is that you are fighting against a tidal wave that is going in another direction.

“We know people come to this country with a preconceived notion of the African-American community. That notion has been carefully orchestrated by the media.”

Smith gave an example: “The media portrayed us as if we found the OJ Simpson case to be a watershed event. (But) this was a case about a man with money. It was a class issue to us.

“The case was about an African-American man with enough money to put together a good defence team. It wasn't about an ordinary African-American male who depended on a public defender.

“(Yet) it was put out around the world that somehow African-Americans were overjoyed that OJ Simpson beat the system in some way while, in fact, the system won.”

Returning to affirmative action, Smith said it was a political tool rather than a question of justice or ethics in the early 1940s: “The Government wanted to engage (African-) Americans in the war effort.

“But even though the notion was first looked at then, it was probably only in the 1960s that President Lyndon

It's no longer a question of justice – rather it is a political issue

What it means is that you are fighting against a tidal wave that is going in another direction

and preferences based on race and gender. The issue was for companies to look at their own hiring practices to see whether there was under-representation of race or gender.”

Today, she said, the country was basically looking at how to address the diversity in the US. For example, California is set to become the first majority minority state (with more people of colour than white people).

Smith said affirmative action was becoming important in US legislation: “If you feel you have been discriminated against in corporate America, case law will allow you to bring a suit against job discrimination.

Discrimination suits

“Initially affirmative action was simply geared towards those businesses with contracts with Government or which subcontracted with Government. In other words, companies which benefit from the public tax dollar.

“What then happened is that corporate America tried to police itself because it understood that case law was there for their employees to bring forward discrimination suits against them.

“But less than seven percent of the companies doing business with the Government, and which should have affirmative action policies, are being monitored.

“Affirmative action has been in this nation for a long period, but has not been enforced as it should be.

because it is good business – not because they mean it. They understand the clientele will now be the people of colour. It is not really about justice.”

But Smith stressed: “Justice has to carry with it implicitly the idea that everyone must give up something. Those that are victimising must be willing to share some of the wealth, some of the power.

“And 82 percent of the wealth in this country is held by about eight percent of the population.”

She added: “In levelling the playing fields, we have to look at racism, economic developments and banking practices. Ask yourself why it is more difficult for people of colour to get bank loans or start businesses.

“We've got to look at some of the institutions to see how they are organised.

“(For example), as long as the public education system is based on the collection of tax dollars, African-Americans – like other groups – have the right to insist that that system needs to meet the needs of their youngsters.

“It's not a question of self-help. It's a question of how public schools are organised and what happens to the distribution of services and goods in those schools.”

Smith said: “If we are taxpayers and ratepayers, then we should expect adequate treatment and justice, and access to that system.

“But if you have institutionalised racism and red-lining practices, it makes it difficult for African-Americans to borrow money to get the support they need.

“Institutions are organised in such a way that you are actually saying to a person: You need to pull up yourself by your bootstraps – but, by the way, we are not giving you any boots and we are not giving you any straps.”

Smith concluded: “While we are being governed by a democratic process, our economy is driven by a capitalistic society. We should demand some morality in the marketplace; (that is) not an unrealistic expectation.

Accountancy survey stresses training

BY FRANÇOISE BOTHA

Cape Town — Most blacks struggle to gain access to institutions that will enable them to qualify as chartered accountants, according to research released yesterday by the Association for the Advancement of Black Accountants.

The finding follows closely on last week's announcement by the South African Institute of Chartered Accountants that it is extending membership to students, technicians and general accountants.

Of the 14 000 chartered accountants in South Africa, fewer than 75

CT(BR) 20/3/96 (176) (SAB)
are black. The association aims to increase this number to 2 000 by the year 2000 and programme has been proposed to develop skills.

The association's survey stressed that it is up to the profession to train people.

The association said there was a lack of access to good schools and universities as well as supportive accountancy firms to offer a wide range of auditing experience. It recommended that the quality of maths and accounting education be improved.

These changes should take place on a national and provincial level to

retrain teachers, upgrade their skills and improve teaching methods.

The association also recommended that entrance requirements be reassessed to establish a student's potential, in addition to evaluating matric results.

"Changing entry requirements will not automatically lead to a drop in standards at a university. Either they are maintained, or they drop in relation to the abilities of lecturers," an association spokesman said.

"In historically white universities, it is not so much the lecturers' skills that need to change, but their approach."

INVESTING *in* the FUTURE

CORPORATE SOCIAL INVESTMENT SUPPLEMENT TO THE MAIL & GUARDIAN, MARCH 22-23, 1996

The done thing

(176) mtG (BM) 22-28/3/96

Affirmative action and associated social investment are more than just a fashion — they are essential to successful business, writes **Simon Segal**

CORPORATE South Africa is nothing if not adaptable and flexible. Under apartheid, corporate co-operation with the government was an awkward management dilemma and alienated blacks. Under the new Government of National Unity, corporate South Africa appears to be adopting the politically correct policies of affirmative action, educating employees in literacy and numeracy skills, and improving employee benefits.

In its survey on affirmative action, the School of Accountancy at the University of Pretoria finds a marked increase in the proportion of companies listed on the Johannesburg Stock Exchange which apply affirmative action policies. It considers three categories of affirmative action:

● **Occupational advancement:** Prior to the general elections in April 1994, 26% of firms listed on the JSE had a recruitment policy that emphasised underprivileged candidates, 27% had an appointment policy emphasising the underprivileged and 2% had a promotion policy that involved a quota system. A year later these figures were 51%, 68% and 9% respectively.

Quotas are still noticeably unpopular.

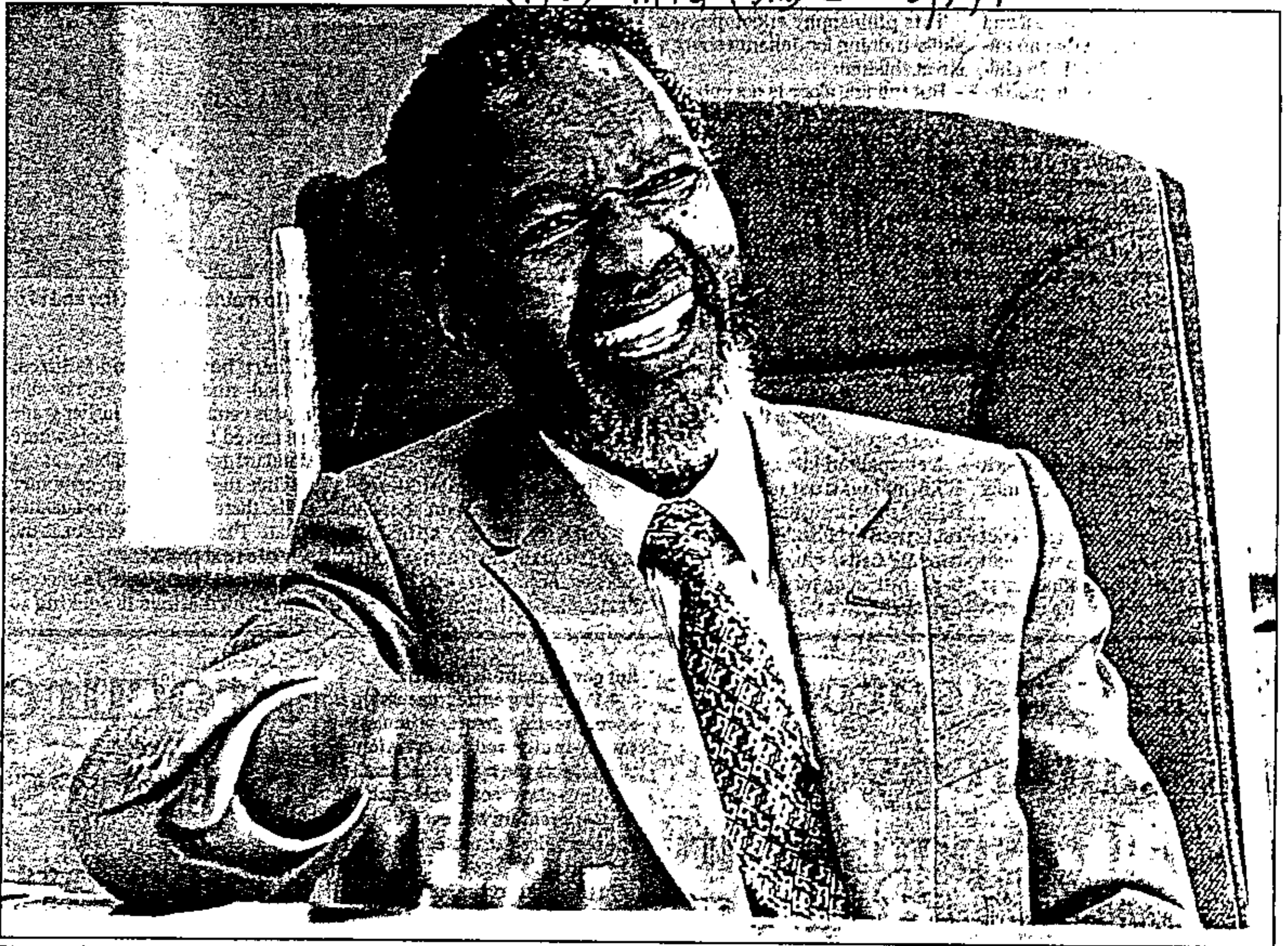
● **Personal development:** The proportion of firms that provide training in numeracy has risen from 20% before the elections to 51% a year later, and from 32% to 59% for literacy training.

● **Improved quality of life:** A year after the elections the survey finds 53% of JSE-listed firms provide housing benefits (43% prior to the elections), 55% provide rehabilitation programmes for employees with alcohol or drug problems (46%), 21% provide transport to and from home (18%), 36% provide paternity leave (27%) and 10% provide day-care facilities for children of employees (surprisingly, down from 12% pre-elections).

The survey does not determine the social success of these policies. Do black employees feel empowered and are they frustrated

at the pace of corporate change? How demotivated are white managers? Nor does the survey talk about how these policies are affecting the bottom line of firms, or whether corporate efficiency and productivity are improving.

Perhaps the strongest explanation for corporate South Africa's new-found social concern is that it is becoming increasingly clear that those firms which support policies such as affirmative action, basic



The new South African elite: When 'white' corporations seek black investors, they invariably turn to Dr Nthato Motlana's (above) New Africa Investments

PHOTOGRAPH: THEMBA HADEBE

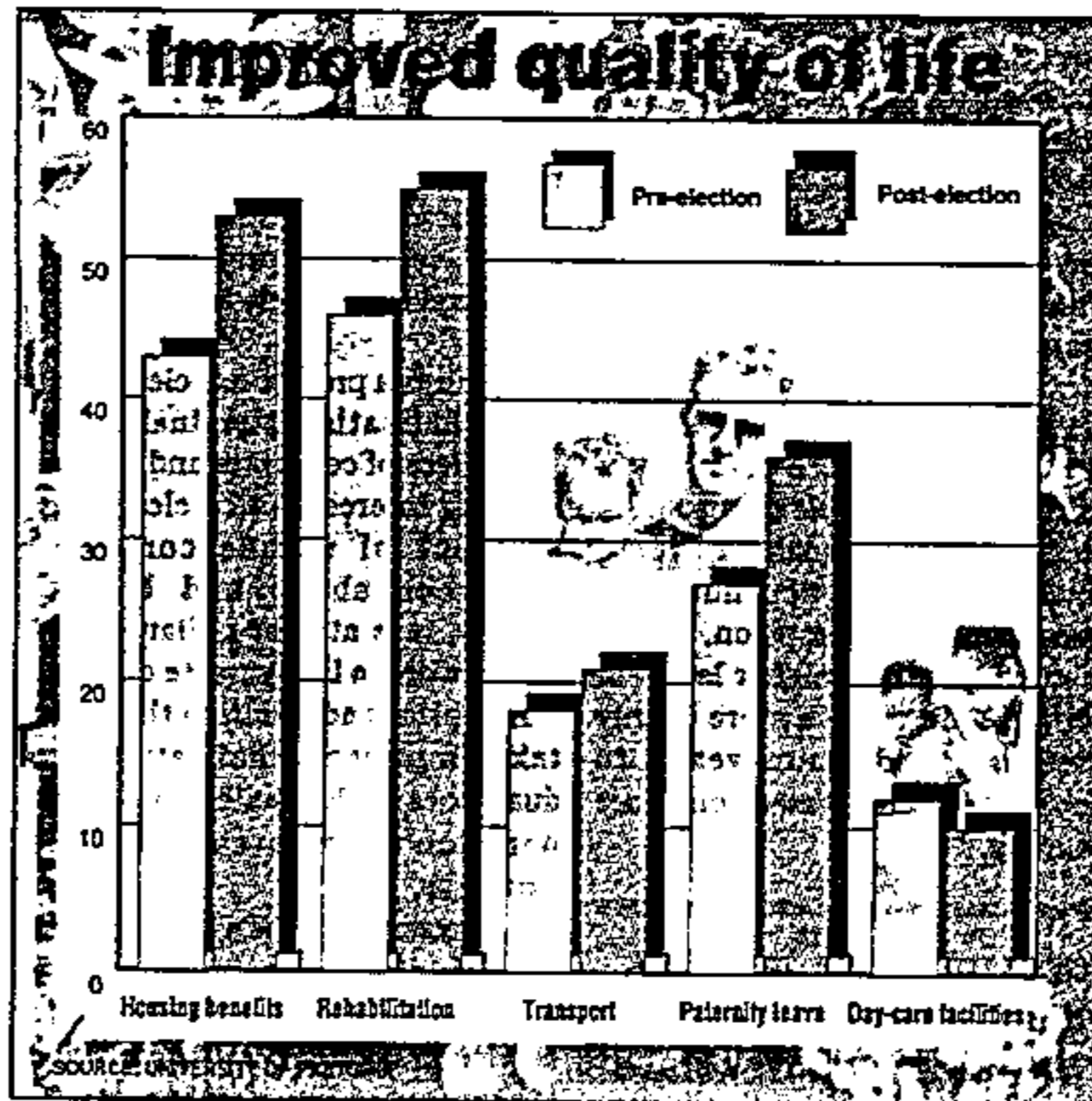
skills training and improving employee benefits are being hugely favoured in terms of government policies and practices in areas such as tenders, procurements and licences. It simply makes business sense for corporations to adopt politically correct policies.

Union pressure is also having an impact on these corporate policies. It appears that most firms accept the costs of these policies as an effective tax or insurance charge. Much as they adjusted to apartheid's costs, these new adjustments are considered an essential way of doing business in South Africa.

Magdalen Shotton, one of the authors of the survey, is no doubt

that affirmative action and its associated policies are "more than a fashionable trend or window-dressing. Companies are serious about change, they mean business."

The primary motives for these social policies — namely broadening the economic base and greater equity — are becoming blurred by corporates that just want to get on with business and blacks who just want to jump on board. The danger of this is that a point will be reached where



A better life: Corporate South Africa has increased social investment since the April 1994 general election

GRAPHIC: VAL SING

the costs can no longer be passed on and internal rates of return become so unattractive that the investment is rendered unviable. A globally competitive environment increases such pressures, as do black-owned firms.

While not posing a major threat yet, these black-owned firms are being favoured and courted. No investments involved in areas such as casinos, the media, telecommunications and so on are viable without black partners. There are still only a handful of major black players in the South African economy with limited economic muscle — the largest being

Nthato Motlana's New Africa Investments (Nail), Don Ncube's Real Africa Investments (Rail) and unlisted groups Kagiso and Thebe.

These groups attract the lion's share of the opportunities being offered by a desperate white business community. Much attention is on these larger black corporations, but it is the lesser-known black firms that are most likely to facilitate future investments and keep corporate South Africa on its toes with regard to their social policies. In this light, affirmative action is no one-day wonder, but a serious issue.

Enter the awards

AS this month's Budget highlighted, the Reconstruction and Development Programme is not delivering nearly as much nor as quickly as it should. Government is seeking to address the problem but the onus is falling increasingly on business to fill the gap.

South African companies have long practised social investment in areas such as education, health and housing, and their excellence has been recognised by the *Mail & Guardian's* annual awards. These programmes are not about doling out cash but fostering a holistic approach to job creation, training and community upliftment.

The sixth annual *MSIG Investing in the Future* awards will take place as usual in September but, to give companies an incentive to participate and readers an overview of new projects, this edition highlights trends and developments in the field.

A wide variety of entrants is encouraged. The award focuses not on a company's social investment brief as a whole, but on specific projects, be they joint ventures or individual efforts. Judging will be based on accepted development criteria, with a strong emphasis on community participation.

Entries for the 1996 awards should be sent to the Business Editor, *Mail & Guardian*, PO Box 32362, Braamfontein, 2017, or fax (011) 403-1025 by the middle of August.

Accountancy firms accused of racism

ARG 22/3/96
MAUREEN MARUD
Business Staff

CITY accountancy firms have been accused of paying lip service to political change while remaining prejudiced against blacks training to be accountants.

"Black trainees are being recruited into most firms but they are denied opportunities to develop," Chantal Cuddumbey of the Community Agency for Social Enquiry (CASE) told members of the Western Cape branch of the Association for the Advancement of Black Accountants of Southern Africa (ABASA).

CASE was commissioned by ABASA to research problems black people experienced in qualifying as chartered accountants.

Ms Cuddumbey said only eight percent of students who passed the exam to become chartered accountants were black because African, Indian and coloured students continued to be denied adequate access to training. Many his-

(176) (176) (176)
torically African schools did not teach mathematics, students had poorly-trained lecturers at black universities, and accountancy firms offered limited opportunities for doing audits in the workplace. Black trainees she interviewed said firms gave important audits to white trainees, "because the white partners have more confidence in them."

They also complained that the firms' clients discriminated against them on a regular basis, and that very often firms accommodated the clients' prejudices.

"Sometimes they felt they were taken off a job simply because the client objected."

Representatives of accountancy firms told her black trainees lacked drive, initiative, and confidence.

A common perception among established accountants was that black trainees had little knowledge of the business world "because of their background where family members are labourers", as one partner told Ms Cuddumbey.

More families lay claim to Olympic site

ARG 22/3/96
Municipal Reporter

THE number of former Ndabeni families who are claiming more than half of the Wingfield site, which is also the city's prime Olympic venue, has swelled to 380 families.

Gilbert Fesi, chairman of the KwaNdabeni Land Restitution Committee, said most of the claimants lived in Langa, where they were relocated in the early 1930s, but that others were as far afield as the Transkei, Free State and Gauteng.

He said the committee had not given the Azanian People's Organisation any special brief to represent them, and among the claimants were supporters of the African National Congress, Pan Africanist Congress and the National Party.

Mr Fesi said the claimants were intending to lobby the International Olympics Committee to achieve their objectives.

A spokesman for the regional land claims commissioner said a mutually acceptable mediator would be appointed.

Affirmative action 'should be determined by markets'

Business Day Reporter

BD 25/3/96 (176)

MARKET forces and not a state-imposed quota system should determine the pace of affirmative action, Distillers Corporation MD Jan Scannell told a Black Management Forum dinner at the weekend.

Scannell was addressing about 300 businessmen at a dinner of the forum's Pretoria branch on the effect of management training and affirmative action on the economy.

He said competitive forces would ensure that no company was successful unless its structures were really representative of the clientele it served.

"While affirmative action is an essential strategic tool towards empowerment and wealth creation, there are no quick fixes."

Regarding a recent labour policy discussion paper, Scannell said government should rather monitor private companies' training programmes and the opportunities created, to determine real progress as opposed to tokenism.

"The gravest danger of a quota system is the appointment of people in jobs for which they have not been properly prepared. It is blatantly unfair to appointees, the company and to society."

He said the way to create a skilled, trained and productive workforce rested on management training and homegrown empowerment.

Black auditing firm lands lucrative Transnet account

Patrick Wadula

THE public enterprises ministry has called on Transnet to appoint newly established black auditing firm APF Incorporated to sign off the parastatal's accounts.

Transnet chairman Louise Tager said yes-

terday the appointment was one step towards bringing previously disadvantaged business into the mainstream economy. "It is important that state enterprises take the lead," she said.

The ministry was unavailable for comment yesterday. APF executive director Sango Ntsaluba said it would gain roughly 25% of Transnet's auditing fees, which last year stood at R23m. It had won the account following the ministry's representation as a Transnet shareholder to the group's board and audit committee.

APF would work with Ernst & Young, Transnet's main auditor, which would be responsible for the later stages of the audit.

Ernst & Young partner John Thompson said some of APF's partners had worked with it on other projects before.

The Association for the Advancement of Black Accountants of Southern Africa president Sizwe Nxasana said APF's appointment showed government's commitment to black economic empowerment and would also promote the rapid training of black accountants.

BD 26/3/96 (176)

Employment of blacks in government increases

LABOUR REPORTER

Employment of black people in national and provincial government departments increased by more than 4 000 in the year to September last year while the number of whites decreased by 3 254 or 1,2%, the Central Statistical Services (CSS) has said.

The CSS said there were a whopping 107 794 vacancies in the public sector on the last payday of September last year, which was 5,1% fewer than the 113 642 vacancies for the previous quarter.

There were 1,87-million people employed in the public sector in the same period compared with 1,88-million people in the previous quarter.

The provinces remain the biggest employer in the sector with 36,1% employed while national departments employed 31,1%, followed by public corporations with 15,7%, local authorities with 12,3% and tertiary institutions with 3,4%.

The report noted that real average salaries and wages of people employed by both national departments and provinces de-

creased by 3,5% per month.

At parastatal institutions there was also a 1,2% decrease in salaries but an increase of 8,4% in salaries of public corporations' workers.

Release of the statistics came as public servants' representatives and the State started meeting yesterday to finalise a fourpoint deal that will see a trimming of the service to make it leaner and more efficient but will include pay hikes.

Unions have said that if no agreement is reached on one of its four points the whole deal may fall through. Talks end tomorrow.

(176) Star 26/3/96

NUM in new retail group joint venture

Adrianna Ginhomes

(176)
MD 27/3/96
A JOINT venture of the National Union of Mineworkers, the Charne Group and Standard Corporate & Merchant Bank will list Mathomo, a new black empowerment retail group, on the JSE on April 2, according to the prospectus released yesterday.

NUM will be represented through its investment vehicle, the Mineworkers' Investment Company, which will have a 26,94% stake in the new group

following the issue.

Charne Investments will have a similar size shareholding, while Standard will hold 6.23%.

The listing will be by way of a private placing of 10-million ordinary shares of 0,1c each at an issue price of 250c. This will bring the total issued share capital to 40-million shares, provided profit warranties are met. The issue is not underwritten.

Continued on Page 2

NUM

Continued from Page 1

Mathomo, an integrated retail group with 85 stores located on mines, in mining hostels, industrial complexes, power stations and commercial centres, will be listed in the stores sector.

The purpose of the listing is to strengthen Mathomo's capital base by reducing debt by between R5m and

R15m, which the group says will further improve its ability to finance the growth of its business operations.

The group has a forecast turnover of R135m for 1996, with profit before interest and tax amounting to R13,6m.

Shares will be offered to selected institutions, customers, suppliers and business associates of Mathomo.

Charne Group joint MD Michael Charne will be CE of Mathomo and attorney Kubandiran Pillay has been appointed chairman.

OVERHAUL FOR CIVIL SERVICE

Bill to speed up affirmative action

THE GOVERNMENT is drafting an Affirmative Action Bill which may introduce punitive measures where the programme is not being implemented fast enough. **BARRY STREEK** reports.

AFFIRMATIVE action in the civil service is to be intensified by the adoption of an Affirmative Action Bill, a complete overhaul of the Public Service Act and the appointment of "transformation units" in all ministries.

This was disclosed yesterday by Ms Phumzile Mlambo-Ngcuka, chairperson of the National Assembly's Portfolio Committee on Public Service and Administration.

"We feel affirmative action is not going fast enough," she said in an interview.

"We are not now only talking about numbers — although it gives you evidence of what you find and see — but the diversity of ideas in the civil service.

"That is what representivity is all about. It is not just a colour issue."

Mlambo-Ngcuka said the Affir-

mative Action Bill was being drafted by the Department of Labour and would be debated by Parliament this year.

Discussions about the contents of the bill were still being discussed but "some of us are feeling that there should be punitive measures where affirmative action is being flouted".

This would apply in both the civil service and the private sector, she said.

The bill would also incorporate incentives and rewards for affirmative action, including training and capacity-building.

"We think the legislative and policy framework for affirmative action needs to be strengthened."

For this reason, the Public Service Act would not just be amended, but would be overhauled.

The proposals for speeding up affirmative action would be examined at an international confer-

ence at the University of the Western Cape tomorrow and Saturday.

The Affirmative Action: From Policy to Implementation conference, organised jointly by her committee and UWC's school of government, would also examine progress on affirmative action.

Mlambo-Ngcuka said one of the speakers at the conference, Professor Peter Zimmerman of the Kennedy School of Government at Harvard University, had worked out that at the present rate of progress South Africa would not achieve more than 50% of its target by the year 2000.

It was clear that affirmative action had to be driven and it needed a legislative framework to achieve this.

"While the debate inevitably confines the matter to race, it is a much bigger issue than that.

"From the minister to the portfolio committee, we need to be much more decisive on affirmative action," she said.

The White Paper on the public service had proposed the establishment of transformation units to

promote affirmative action in every ministry, but only a few departments had established these units.

Every department had to set targets so that her committee could monitor progress and decide whether these targets were too low.

Mlambo-Ngcuka said the key speakers at tomorrow's conference included Deputy President Thabo Mbeki, Minister for Public Service and Administration Dr Zola Skweyiya, Zimmerman and experts from round the globe, including Namibia, Malaysia, Sweden and the US.

The key areas would be the linkage between affirmative action policy implementation and enhanced efficiency in the public service, the danger of "tokenism", the possibility of reverse discrimination, the merits and disadvantages of applying affirmative action quotas, the necessity for special affirmative action provisions for women, especially those of colour, and for disabled people, Mlambo-Ngcuka said.

CT 28/3/96

(176)

US opposition to affirmative action grows

(176) Star 29/3/96

SAPA/AFP
Berkeley, California

An escalating war over the merits of affirmative action is sharply dividing Californians and may influence their presidential vote. Whites have become increasingly hostile to affirmative action, claiming they are the victims of "reverse discrimination".

Now, as Democratic President Bill Clinton and Republican senate majority leader Bob Dole appear headed for a November presidential contest, they are taking opposite sides on the issue in a state that is crucial to an electoral victory. The first big assault on affirmative action in California occurred in June, when the University of California deleted all

reference to race in its admission policy. Then, California Governor Pete Wilson endorsed a November referendum asking voters to prohibit all race and gender preferences in public employment, contracting and education.

"This system favours reverse discrimination... a lot of white or Asian students have been barred from some universities although they had better grades than black ones who were accepted," said Jim Fay, a university professor and author of the referendum. "White disadvantaged people should have the same opportunities as Asians or black ones," he added. Democratic political leaders such as Willie Brown, the black mayor of San Francisco, reject such arguments. "It's very difficult for a very poor child

from a disadvantaged community to compete with someone from the upper class," he said. "If this measure passes, the university will go back to a virtually all-white university, except the Asians."

White opposition to affirmative action is fuelled by recent statistics: in the last 12 years the proportion of Asian-American students has increased from 25% to 40%, while the proportion of whites has dropped from 60% to 31%.

Last week, the opposition's cause was helped at least indirectly by a federal court decision involving the University of Texas. The court rejected that state's system of racial preferences even if it was designed to correct a "perceived racial im-

balance in the student body." In Washington, Clinton's justice department responded by making public the results of an FBI investigation concluding that the University of California at Berkeley's admissions policies did not discriminate against white students.

As the debate in California reverberates across the country, analysts say it is likely to affect the presidential election. Dole campaigned on Sunday in California's conservative Orange County in favour of the November referendum, and to blast Clinton for his opposition to it. Clinton, in a recent poll, led Dole in California by 16 percentage points. Dole, however, could cut into the president's lead if voters are motivated above all by the affirmative action debate.

Labour plans a strategy for job creation

Renee Grawitzky

THE finalisation of a position on the labour ministry's green paper on employment standards and on a framework document on social equity could form the focus of discussion at Cosatu's three-day central executive committee meeting, which began yesterday.

It is understood labour is finalising a document which could guide it during debate within the National Economic, Development and Labour Council on elements to achieve a social partnership.

Recent reports have indicated that labour is considering proposing a levy on all companies of 4% of the payroll to finance the training of workers, with matching

BD 29/3/96 (176)
government assistance.

A penalty tax could be imposed on companies that do not invest in job creation and training.

Labour could also be focusing on the intensification of public works programmes to create jobs which could be financed by the private

and public sector, with some form of levy on company profit.

Labour and business are scheduled to present their response on the green paper within Nedlac on Monday.

Negotiations are scheduled to start on April 11.

Focus on affirmative action

(176)

sowetan 29/3/96

By Pamela Dube

AN international conference to explore effective ways of applying the affirmative action policy in the civil service will be held in Cape Town this weekend.

The two-day conference, which begins today, is to be attended by local and international experts and will be co-hosted by the parliamen-

tary portfolio committee on public service and administration and the school of government of the University of Western Cape.

Main speakers include the Minister of Public Service and Administration Zola Skweyiya, Professor Norma Mansor of the University of Malaya, Namibian director of women's affairs Nashilingo Shivute and Professor Peter Zimmerman of

Harvard University.

According to Parliamentary portfolio committee chairperson Phumzile Mlambo-Ngcuka the conference will examine the progress of affirmative action policy.

"The main emphasis will be on finding ways of implementing the policy. At the moment we have the policy on paper, and we have to find means of putting it into reality."

WHITE BACKLASH

Americans are taking affirmative action policies to court, writes SIMON BARBER

AFFIRMATIVE action policies in the US have suffered another serious blow with a federal appeals court ruling that the University of Texas law school could not use race as a criteria in selecting students.

The decision, which thus far blinds only the three states covered by the 5th US Circuit Court of Appeals — Louisiana, Mississippi and Texas — is being challenged by the university in the US Supreme Court. But, it looks likely that the court will uphold the decision and make it applicable nationwide.

Ironically, the law school was the setting for one of the great desegregation victories of civil rights lawyer Thurgood Marshall, who is now a Supreme Court judge.

Forty-seven years ago, Marshall convinced the Supreme Court to force the school to admit its first black student.

Now it is mainly white plaintiffs who are successfully contending that they are the victims of discrimination.

Last June, the Supreme Court severely limited the use of racial preferences in the awarding of federal contracts. In May, the 4th Circuit Court of Appeals ordered the University of Maryland to drop a scholarship programme reserved exclusively for blacks. And in June, the giant California state univer-

sity system voted to end the use of racial criteria in hiring and admissions.

Meanwhile, Senate majority leader Robert Dole has attached his name to legislation pending in Congress that would outlaw the use of race or gender to determine who receives federal jobs, contracts or subcontracts.

"With the best of intentions", the three-judge appeals panel ruled in a unanimous opinion, "in order to increase the enrolment of certain favoured classes of minority students, the University of Texas School of Law discriminates in favour of those applicants by giving substantial racial preferences in its admissions programme.

"The beneficiaries of this system are blacks and Mexican-Americans, to the detriment of whites and non-preferred minorities. The question we decide today is whether the Fourteenth Amendment (the post-civil war "equal protection" clause in the US Constitution) permits the school to discriminate in this way. We hold that it does not."

The principal plaintiff in the case,

Cheryl Hopwood, claimed that she had been denied a place because of the law school's policy of selecting candidates from racial pools, and setting substantially lower formal entrance requirements for applicants in the black and Mexican-American pools.

Mrs Hopwood, 29 at the time of her application in 1992, fell just shy of automatic entry, and then, she argued, she was bumped out altogether to make room for minority applicants — many of whom, had they been white, might not even have been given a second look.

For proponents of affirmative action, Mrs Hopwood — the bright child of a poor, working class family — was the plaintiff from hell.

She was offered partial scholarships by a number of prestigious schools, but could not afford to accept. Instead, she studied at California State University, married a soldier, trained to become a certified accountant and became active in community work while caring for a severely retarded child.

To the court, she was a classic ex-

ST 31/3/96
 simple of why admissions officers "must scrutinise applicants individually, rather than resorting to the dangerous proxy of race".

That is the nub of the judgment. It says that schools may not automatically judge all members of a racial group by special standards because they happen to belong to that group. A black person may be especially deserving of favourable treatment because of his or her circumstances, past and present, but that cannot be simply assumed by virtue of skin colour.

However, University of Texas president, Robert Berdahl, warns that if the judgment is upheld, the result will be the "virtual resegregation of higher education".

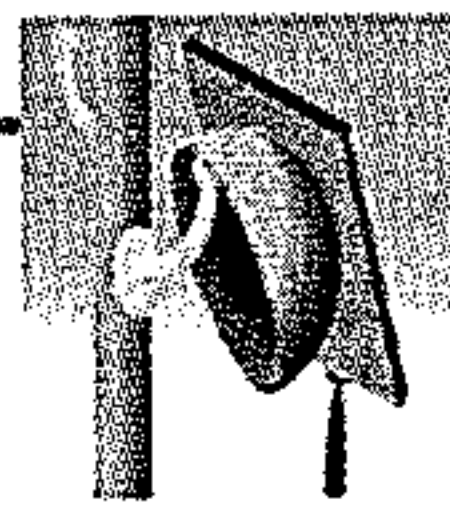
Underlying that statement is the racist assumption that blacks and Mexicans are inherently inferior and can only succeed if given special treatment as a group.

Michael Greve, who represented two of Mrs Hopwood's co-plaintiffs in the case, says it is time to pay more attention to public education in poor, minority neighbourhoods.

"One of the beneficial effects of this ruling is that it will force us to focus on the poor preparation minority applicants receive in the public schools."

(176)

KANTOR



COMMENTS

AFFIRMATIVE ACTION: WHO WINS?



Brian Kantor is professor of economics at the University of Cape Town.

The most athletically challenged club golfers have as much chance as anybody else of winning a competition. They are given a large enough handicap, or upfront

allowance, to make it possible for them to catch up with all in the field.

Perhaps our affirmative action programmes could be assisted, the playing fields levelled so to speak, by applying an objective handicapping system. Every black participant in the economy could be given an upfront number of points to assist in employment or business, while every white male could be regarded as the equivalent of the scratch golfer.

In case anybody should think this unlikely or impracticable, a start on these lines has already been made. The State Tender Board and Procurement Agencies are already practising an affirmative action points system for awarding tenders or contracts. The blacker the firm, the higher the place in the queue for work.

Naturally there will be problems to be solved. A firm with a white principal partner, that employs only blacks, scores badly compared to the firm with only black partners that contracts out all its work.

The blackness of a firm, and therefore its entitlement, could be much more accurately calculated if we could apply some suitably weighted average of the upfronts for all its employees, suppliers, and owners. The precise weighting for each could be a subject of intense debate.

A labour-intensive firm might receive more credit, while a service organisation would have to depend more on the upfronts of the firms that supplied it. The upfront for each shareholder would have to be divided by their share of the firm. It would not be good enough to have a large number of black shareholders, each with a minor share. The formula to be applied in determining the upfront number for each individual as worker or owner will be critical.

Nothing, surely, could be more important than establishing a transparent and objective basis for assisting the previously disadvantaged and marginalised. If we are to award affirmative action points at all we should be sure to do it right. The more disadvantaged, the bigger the allowance.

Therefore the handicapping commission would regard it as unacceptably crude to simply give a 100 upfront to every black and a 0 for each white.

Clearly, the economic disadvantages of apartheid, as opposed to the psychic damage caused, did not apply equally to the disadvantaged African, coloured or Asian.

Some individuals and groups were more economically disadvantaged than others. It could be argued that Indians, with 40,4% of the per capita incomes of whites, compared to

blacks with only 8,5%, should receive an upfront of 21 (8,5/40,4)100. Similarly coloureds, with average incomes only 19,6% of whites, would be entitled to an upfront of 44.

But what, it will be asked, about women? An extra weight for all women of 20% — something like the average gender wage gap — might be thought appropriate. Then the black woman would start with 120 and her white sister 20.

Allowing for foreign nationality will be a vexed question. Are foreign-born blacks to be counted as South Africans? Are "blacks" from the US, China or India to be given the same upfront as blacks from SA, Lesotho or Mozambique?

People of all colours are advantaged or disadvantaged by education and the wealth of their parents. Surely the son of a black township tycoon, or of a former homeland diplomat who, from preschool to postgraduate study, had the advantage of the best education money can buy, cannot fairly claim further advantages. Such rare individuals should lose all or much of the upfront for colour.

It is comparatively easy to measure educational attainments and reduce the upfront consistently. Clearly quality as well as quantity of education would have to be factored in. Points could perhaps be deducted for anything more than a DET matric and more than R200 000 worth of family wealth.

The chances of applying such a logical and objective approach to affirmative action programmes are remote. It will most likely remain a simple black and white issue. All blacks, whatever their economic history and educational achievements, will be given the equivalent of an upfront of 100 and all whites zero, with Asians and coloureds in practice falling roughly between.

This is because affirmative action or unequal opportunity programmes have little to do with making up for the past. They are examples of special interest politics. Their intention is to serve the interests of blacks with professional skills, educational attainments and, often, also wealth. They would not want the important differences between them and the overwhelming majority of blacks emphasised.

Yet the intended beneficiaries have, in large measure and to their enormous credit, overcome the huge challenge of apartheid. By dint of exceptional abilities, energies and perseverance, they have beaten the system that held back so many others. As such they are surely capable of competing successfully in the marketplace with all comers.

It is the genuinely disadvantaged, those many blacks without much skill, education or income, who will be forced to pay for these extra affirmative action benefits. They will be required to pay more for goods and services, including housing, and receive lower wages, because there will be less open and intense competition for their custom or labour.

Affirmative action, that is unequal opportunity, will remain a feature of SA life and a tax on the poor. The best we can hope to do is deny it the moral high ground and reveal who is winning and losing in the process. ■

(178) PM 22/3/96

Pik leads the way on new jobs approach

(176)

CT 1/4/96

POLITICAL WRITER

ONLY one government department has registered its affirmative action programme with the Public Service Commission - and its minister is a Nationalist!

Furthermore, in terms of set procedure, affirmative action initiatives may only take place after being registered with the commission.

The director-general of Public Service and Administration, Dr M P Ncholo, disclosed at an international conference on affirmative action in the civil service over the weekend that only the Department of Mineral and Energy Affairs, whose minister is Mr Pik Botha, had so far registered a programme.

"This is certainly an indictment against the rest of the public service and the government of national unity," he said.

● Ncholo said that until now civil service bursaries to improve the qualifications of public servants were only granted to those with matric, but that this matter was being addressed and would "hopefully lead to a more balanced bursary policy".

Civil service affirmative action to be intensified

BARRY STREEK
POLITICAL WRITER

THE government is to intensify affirmative action in the civil service — and government departments are likely to get quotas or defined targets for the recruitment of blacks, women and disabled people.

And directors-general could be required to sign performance contracts specifying affirmative action targets.

This emerged at Somerset West over the weekend at an international conference on affirmative action in the public service, organised by the parliamentary committees on the public service and the school of government at the University of the Western Cape.

The government's recognition of the urgency for affirmative action was underlined by Deputy President Thabo Mbeki, who warned South Africa would blow up again if direct steps to achieve a non-racial and non-sexist society were not taken.

"You cannot avoid a conscious and purposeful intervention with the objective of creating a non-racial and non-sexist society. Nothing will happen spontaneously. Intervention is necessary," he said.

Public Service and Administration Minister Dr Zola Skweyiya said the restructuring of the civil service was one of the most urgent tasks facing the government.

(176) CT 1/3/96
The white male domination of the senior levels of the bureaucracy, which had been inherited from the past, had to be broken.

Although the civil service had already undergone a massive shift in orientation since the inauguration of the new government, "it still reflects many throwbacks to the former administrative culture — a strong tendency towards control and secrecy".

Skweyiya said affirmative action was not just getting the racial composition correct but "ensuring that those selected for leadership particularly, solidly embrace the new transformation goals in ethos and practice".

Asked if this could involve quotas, the new Deputy Minister of Trade and Industry and chairperson of the National Assembly portfolio committee on public service, Ms Phumzile Mlambo-Ngcuka replied: "We hope so."

She also said each departmental budget should have a clear expenditure item for transformation, otherwise the ministries would not do enough.

Skweyiya, Mlambo-Ngcuka and the chairperson of the Senate committee, Senator Mahommed Bhabha, all criticised the term "affirmative action" as an American concept and said the process of transformation in South Africa was totally different.

"We are not just dealing with equal opportunity, but with wronged people," Mlambo-Ngcuka said.

nday, April 1 1996

Call for risk-taking in affirmative action plan

Linda Ensor

SOMERSET WEST — Government ministers and departmental directors-general have been called upon to flout the law and "put their heads on the block" to speed up affirmative action programmes in the public service.

The call for tough action was made by outgoing public service and administration portfolio committee chairman and newly appointed deputy trade and industry minister Phumzile Mhlambo-Ngcuka at an affirmative action conference at the weekend.

The conference agreed that bold political leadership was needed to deal with bottlenecks posed by resistant public service officials and mountains of restrictive red tape. Reactionary public service trade unions should be taken on, and while counter-reaction was inevitable, government would have to declare a dispute with them and "live with the consequences".

Mhlambo-Ngcuka said: "If a minister has to go to jail because he employed a brilliant person and broke the law, that would be a great day for SA.... Ministers have to be trend-setters to get things to happen."

BD 14/96 (176)
She said public servants' fears about job security should not be trivialised, but the disadvantaged could not be sacrificed out of concern for these fears.

In his address on Friday night Deputy President Thabo Mbeki emphasised the inevitability of government intervention — nothing would happen on its own to bring about a nonracist, non-sexist society.

This transformation would not be entirely benign and would of necessity bring pain to some. "If we don't succeed in changing this society and addressing these matters, what will happen is that somewhere down the road this society will explode again when the majority sees that nothing has changed in their lives," Mbeki warned.

The conference participants, who included key officials from many departments, were generally frustrated about the slow pace of change. While transformation policies existed, there was a lack of concrete programmes to implement them.

The chief obstacles were civil servants' fears and racist attitudes and a recruitment policy which prevented the civil service from taking on competent people who did not have the prescribed qualifications.

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Susan Russell

TRANSVAAL attorney-general Jan D'Oliviera says that while he believes no members of his staff are opposed to the justice department's affirmative action policies, uncertainty has been caused by the manner in which they are being implemented.

Interviewed for the latest issue of the attorney's journal De Rebus, published today, D'Oliviera said staff members would like to be informed of the parameters so that they knew where they stood.

"They wish the process to be accelerated so that we can all get on with dealing with the rigours and demands of the criminal justice process," he said.

The attorney-general also reiterated his concern over what has been described as the crisis in his office caused by an increasing workload and demand for professional services aggravated by low morale because of poor salaries and a lack of clarity on the affirmative action issue.

There has been growing dissatisfaction in the ranks of professional legal staff employed by the state who are poorly paid compared with their colleagues in the private sector.

At the same time an

Employment policy is causing uncertainty, says attorney-general

BD 1/4/96 (176) #75
increase in the volume of crime, particularly in crimes committed by sophisticated white-collar criminals and syndicates, has placed an ever-increasing burden on the state's legal professionals.

D'Oliviera expressed appreciation for the efforts of Justice Minister Dullah Omar to improve his staff's salaries.

"However, in the short term the minister is restricted to achieving the best he can do within the constraints of the public service commission and the central bargaining council," he said.

Relieve pressure

"Unfortunately these bodies do not appreciate the exigencies of the prosecution's position and seem unable or unwilling to treat professionals as professionals."

D'Oliviera said he believed that granting an "immediate and significant" allowance to professional staff until a just remuneration package was finalised would relieve the extreme pressure on them. It would

enable them also to "accommodate the implications of transition".

Society of State Advocates chairman Billy Downer told De Rebus that while the minister's efforts to address the salary issue were appreciated, the fact remained that the situation had reached crisis point.

He stressed that while the society was committed to affirmative action, it rejected the total exclusion of white males from the promotion process, which had increased the number of resignations.

Omar told De Rebus, however, that promoting representivity did not mean appointing unqualified people.

It did mean that in appropriate cases men and women previously excluded, with the required qualifications but with less experience than some of their colleagues, might be appointed to posts.

He emphasised also that no serving official had been removed from office or replaced by another to promote representivity.

Affirmative action and degrees of disadvantage

JD VERSTER

THE drive of companies towards staff complements more representative of SA society has, through the interim constitution and imminent changes to the Labour Relations Act No 66 of 1995, been legitimised. Employers, however, have to be on their guard not to apply their affirmative action policy in an unfair manner.

The spectre of an unsuccessful job applicant claiming that he or she has been unfairly discriminated against during the recruitment or selection process will now become a reality.

The interim Bill of Rights has been interpreted as not binding on employers, only the state, which means that a constitutional challenge based on alleged discriminatory conduct of an employer may be rejected. But the final constitution will bind employers, and such a constitutional challenge will be possible.

Affirmative action legislation, providing for unequal treatment of employees by an employer, will be insulated from attack because the constitutional right to equality expressly allows for such treatment as long as it is not unfair.

The generality of the constitutional affirmative action clause may make it difficult to establish with certainty which individuals belonging to which gender and/or race groups should be targeted by an affirmative action programme by virtue of their

being disadvantaged by unfair discrimination. What should the degree of such disadvantage be if, for example, compared with other forms of disadvantage? Is the reason for unfair discrimination relevant?

Because of these uncertainties, the particular employment policy and procedure adopted by a company will come under the spotlight. The policy will have to be properly tailored to achieve the stated objective, namely the proper protection and advancement of the targeted persons or groups. Those in the targeted group must meet the criteria contained in the Act or constitution, namely that they were unfairly discriminated against.

The constitutional safeguard for affirmative action does not mean all affirmative action programmes and legislation are insulated from legal challenge. Challenges to affirmative action could probably be brought on the basis that they include some members of a disadvantaged group who have not been specifically targeted by the legislation. For instance, legislation providing for mandatory child care by employers or flexible working hours for women, would be open to challenge on the basis that they are under-inclusive — in that the benefits of the legislation are not extended to male employees as well.

In the racial and ethnic milieu of SA challenges to affirmative action may arise in various contexts. For example, a man may challenge the reservation of places in a

training programme for women; a male losing his job or promotion to a less qualified woman may challenge this as unfair discrimination; Indian or coloured employees being selected for layoffs to preserve the number of black employees in the workplace to comply with targets might contend that this constitutes unfair discrimination; a black woman may challenge quotas requiring 95% of jobs in a workplace to be filled by black women as discriminatory in that it leads to stereotyping of black women as unable to succeed on merit.

Challenged

In a recent unfair discrimination challenge case, the refusal to admit an Indian student to Natal University's faculty of medicine was challenged as unconstitutional. It was argued that rejection of the student's application should be set aside, inter alia, because it was a discriminatory practice in conflict with the right to equality in the constitution.

The university had implemented an affirmative action policy in terms of which only 40 Indian students would be accepted; more black, coloured and white students would be accepted; and only Indian students with six A passes in matric were considered for admission.

The court found that while there was no doubt the Indian community was decidedly disadvantaged by the apartheid system, the

evidence established clearly that the degree of disadvantage to which African people were subjected by the apartheid system of education was significantly greater than that suffered by their Indian counterparts. Accordingly, a selection system which compensated for this discrepancy did not run counter to the right to equality. What is significant about the judgment is that it acknowledges there were "degrees of disadvantage" and that African people in SA suffered greater disadvantage than other racial and ethnic groups.

Constitutional provisions aimed at remedying group disadvantage have to be balanced against harmful individual treatment, since promoting equality for historically and socially disadvantaged groups in a pro-active way may adversely affect individuals from privileged groups. This calls for a balance between the rights of members of disadvantaged groups and the rights and expectations of individuals not belonging to the target groups. An interpretation of "unfair discrimination" as requiring past social and historical group-based disadvantage acknowledges that affirmative action may adversely affect other individuals, but they may not necessarily be "unfairly affected".

In all probability the courts would look at whether they are denied opportunities they would not in any event have had if privileges on the basis of race had not been granted in the past.

While equality requires that privileged

groups should no longer enjoy a disproportionate share of social resources, it does not require that they be prevented from receiving benefits they would have acquired under conditions of equal opportunity, had there been no discrimination.

In SA it is not simply a question of balancing the rights of disadvantaged groups (for whom affirmative action enhances substantive equality) against the right of privileged groups (for whom affirmative action might be a violation of formal equality). Instead, questions of who actually makes up the disadvantaged come to the fore.

An Indian male may, for instance, challenge the promotion of an African woman instead of him on the basis that although she suffered discrimination under apartheid, as an individual she had the necessary economic resources and educational opportunities necessary to succeed and was not "disadvantaged" by the discrimination.

While there is no doubt that the rights of disadvantaged groups are protected, a court could well be called upon to scrutinise the actual rights and expectations of individuals in particular circumstances. While it would be extremely difficult to argue that black people were not the victims of unfair discrimination, it does at the same time not follow that all were equally disadvantaged by it.

□ Verster is a partner in law firm Webber Wentzel Bowens

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(176)

BD 2/4/96

Labour's green paper finalised soon

BD 2/4/96

(176) (173)

Linda Ensor

SOMERSET WEST — The labour department's green paper on employment equity should be finalised by end-April for public comment, with a view to it being promulgated by Parliament in October, director-general Siphosiso Pityana said on the weekend.

He announced this at a conference on affirmative action in the public service organised by the University of the Western Cape.

Pityana said the proposed legislation would cover the public and private sectors and would pronounce on whether there should be quotas or negotiated targets.

Pityana said the labour department believed regulation was unavoidable to achieve equity.

"In the private sector, the attempts by some foreign companies of Europe and the US with investments in SA to promote equity through the EEC and Sullivan codes of conduct failed. There is evidence to demonstrate that an unregulated system is unlikely to produce the desired results."

But Public Service and Administration Minister Zola Skweyiya felt the legislation, which would be a vital tool for ensuring employers committed themselves to the goals of employment equity, could prove another point of conflict.

The suitability of the legislation, the timing of its enactment and its appropriateness in the public service would have to be weighed up against the need for effective strategies for affirmative action and employment equity.

He felt the constitution and the Public Service Act had to be strengthened to facilitate affirmative action. Skweyiya admitted that hundreds of thousands of public servants would have to be retrenched, most of them from the ANC's constituency of the disadvantaged in Eastern Cape and Northern Transvaal.

See Page 19



Deputy Trade and Industry Minister Phumzile Mlambo-Ngcuka ... black people and women have been deliberately denied education and employment opportunities.

SA gets ready to affirm its people

By Pamela Dube
Political Reporter

Debate now on about how soon affirmative action can get underway

WHILE THE UNITED STATES is grappling with the failure of the affirmative action policy initiated 30 years ago, in South Africa the buzzwords are how to implement the programme rapidly.

At a recent conference in Somerset West on affirmative action in the public sector, co-hosted by the parliamentary portfolio committee on civil service and the University of Western Cape's school of government, participants agreed that the sooner the policy was applied the better.

Deputy President Thabo Mbeki emphasised the urgency when he said the question was not whether the policy was workable in South Africa, but how to implement it as soon as possible.

Affirmative action was first born out of the civil rights movement in the 1960s in the US to bring ethnic minorities, like African-Americans and Hispanics, into the political, social and economic mainstream.

Pros and cons

On one side are those who argue it has been a success, while on the other are those who say it is all a farce and has done nothing to emancipate minorities.

The voices of dissent, like those in South Africa, mainly question the racial principles of the policy.

"Of course it has to be (racial). It is black people and women who were deliberately denied education and employment opportunities," said Phumzile Mlambo-Ngcuka, the new Deputy Minister of Trade and Industry.

Public Service and Administration Minister Dr Zola Skweyiya said the challenge "is to meaningfully break the white, male stranglehold at this level (top Government structures) and replace it with a responsive, representative composition and culture".

Dr Vincent Maphai, executive director of the Human Sciences Research Council, pointed out that unlike in the US, the South African concept was aimed at the majority.

Sometimes, Maphai continued, "white South Africans argue that we are

*(176) Sowetan
3/4/96*

6 If the new Government does not address this abnormality, the far reaching consequences can be tragic

Merit is one of the issues which is receiving close scrutiny from Government and affirmative action advocates. The argument is that whenever the issue of appointing black people to strategic positions in Government and the private sector is raised, lowering standards and merit are always cited in opposition.

Nevertheless, the question of standards, while in most cases overstated to retain the *status quo*, is a reality.

US academic Professor Peter Zimmerman stated: "If one holds conventional views, it is difficult to overstate the extent to which there is a major problem in the relative scarcity of blacks with reasonable levels of training and professional experience."

Black graduates

He noted that in South Africa, out of an estimated 30 million blacks, only about 75 000 have university degrees. Of these, 40 000 were in general arts or education, leaving 35 000 blacks to compete with ten times the number of whites for top professional, technical and managerial jobs.

Another major problem faced by black South Africans, Zimmerman said, was that while much emphasis was put on affirmative action, "old hiring patterns persist in many institutions".

He added: "There also appears to be a mismatch between the subjects studied by many black graduates and the needs of the public and private sectors."

Malaysian academic Professor Norma Mansor stated: "The main

"In this way, when placing indigenous people in strategic managerial positions, you build up human resources by giving relevant education to those who will occupy middle-management positions in the near future."

Mansor further advised the Government to concentrate on providing education in professional and technical fields "because in many cases you find that white people are concentrated in these. If the new Government does not address that abnormality, the far-reaching consequences can be tragic".

Mansor warned that unless something was done immediately to put black people in strategic and professional positions, "the dissatisfaction showing among black South Africans can manifest itself in civil strife".

"Because of the laxity in addressing the economic and social empowerment of indigenous Malaysians when the democratic government took over from the British in the 1960s, the racial riot of 1969 came as a shock. We thought by having political power, everything would naturally fall into place."

Responsibilities

Another problem which countries like Malaysia managed to fight was that, to some, implementing affirmative action meant giving black people positions without responsibilities.

"The time for window-dressing has to come to an end," Mbeki warned.

Other participants complained that some black people were given high office in Government departments and Ministries, but with little powers.

They argued that the concept of affirmative action seemed to be addressing only the needs of the elite by demanding that top positions be handed to black professionals.

The conference further warned the Government that unless old legislation was changed, the transformation process would be dealt a deadly blow.

Some officials accused the Federation of South African Labour Unions, one of the most powerful public sector union groups, of holding the Govern-

City Council 'should favour black lawyers',

PETER DENNEHY

CT 3/4/96

ANY black legal firm allocated conveyancing work by the Cape Town City Council should receive twice the number of cases given to any white firm.

This is part of a joint proposal that three groups of lawyers made to the council, after it decided to abandon its old practice of giving all its conveyancing (land transfers) work to a single firm.

The three associations the council approached are the National Association for Democratic Lawyers, the Black Lawyers' Association and the Southern Suburbs Attorneys' Association.

The associations, who were asked to work out a common document, proposed that black firms should be given twice as much of the work as white firms.

All firms wanting to get work should be given some. The ratio of work allocation should not take the size of firms into account, the proposal said.

Members of the council's executive committee had problems with some of the suggestions. Their concerns were taken back to the lawyers, with the suggestion that they meet council officials to sort the problem out.

The associations said they had set up a sub-committee to deal with the matter, and would be in touch with the city administrator as soon as a response had been worked out.

Ramaphosa tries to rally NEC support

(176) (BR) CI(BR) - 15/4/96

BY ANN CROTTY
 Johannesburg — A split in the National Empowerment Consortium (NEC) appears inevitable in the wake of Cyril Ramaphosa's decision at the weekend to join New Africa Investments Limited (Nail).

Ramaphosa was understood to have spent the weekend in discussions with concerned union colleagues in an attempt to get their support for the move.

"We knew he was at a meeting with the NEC and Nail on Friday evening, but we believed he was acting as a facilitator in an ongoing attempt to get the two groups to present a united front to Anglo," said one union adviser.

The NEC is the black business consortium formed with Ramaphosa's backing 18 months ago. Some of the parties within the consortium may be happy to throw their lot in with Nail in the bid for Anglo's 48 percent stake of the Johnnic industrial group, promised for later this week by Nail's chairman, Nthata Motlana.

But a number of them will have considerable difficulty in

being party to a deal with Nail. The NEC was put together because of growing concerns about the role that groups such as Nail and Thebe had assumed for themselves in the arena of black economic empowerment.

Members of the consortium were concerned that the white business community restricted its approach to black empowerment by concentrating on these groups, which showed little signs of producing any real benefit for the black community at large.

An NEC source said yesterday it was feared that with the involvement of Ramaphosa on the Nail team, that group would be likely to emerge as the senior partner in any combined Nail-NEC bid and that this would be unacceptable to many union members of the NEC.

"Motlana is only interested in control situations, there will not be room for NEC as an equal partner," said one of the NEC's founding members.

Nail is 52 percent controlled by N Motlana & Sons. Analysts believe that the controlling position is further secured by a shareholders' agreement between Motlana and Jonty Sandler, his chief executive.

That a bid for Johnnic appears to have been given a substantial boost by the weekend's events has been criticised by leading business figures. They said it was inappropriate for President Nelson Mandela to be seen to be supporting one corporate player at a possible disadvantage to others.

"Pictures of Mandela, Motlana, Sandler and Ramaphosa on the steps of parliament may put pressure on Anglo to do a deal that does not make good business sense," said the chairman of one of the JSE's top 100 companies.

It is unclear how close Nail and the NEC are to a joint deal.

"We are exploring a combined deal. It is an enormous transaction; we must be flexible," Sandler said.

METROPOLITAN LIFE Looking forward to the future

Sowetan BUSINESS

TOMORROW A community torn apart by a dispute over mineral rights

Real power is economic

Monday April 15 1996



Why I made the big leap

Cyril Ramaphosa talks to Mzimkulu Malunga, Aggrey Klaaste and Mike Siluma about his move from Parliament to the boardroom

One way to decide to leave politics to join a black company which is a key player in the economy. Given our country's situation, we need to have sustainable growth. I see joining Nail as a move in the right direction. After the success of the previous group, we see this as an attempt to play a role in the struggle for the benefit of our people and our country.

The economy is one of the sectors where the impact of apartheid remains. We need to see more and more people leading and creating the economy. This is a national mission and we need to see a number of people leading and creating the economy. This will be an important step in the process of economic empowerment.

But we need to be realistic. We need to see more and more people leading and creating the economy. This is a national mission and we need to see a number of people leading and creating the economy. This will be an important step in the process of economic empowerment.

HEADLINE NEWS The Sowetan, Nail's main media asset, trumpets Cyril Ramaphosa's arrival as it prepares to bid for Johnnic and with it some of the most prestigious media in South Africa

'We created Cyril. We're glad to have him back'

BY THABO LESHILO

Johannesburg — The move by Cyril Ramaphosa to New Africa Investments Limited has been welcomed by Cosatu and the National Council of Trade Unions (Nactu), the country's two major trade union federations.

The federations believe Ramaphosa will help sensitise the company to the needs of workers.

"As much as parliament is going to lose a great man, labour is going to gain. He has the interests of workers at heart," Nowetu Mpati, Cosatu's spokesman, said yesterday.

Mpati said Cosatu hoped Ramaphosa would bring his understanding of the need to close the salary disparities between

'Do blacks really own what they think they own?'

It is a disturbing picture as Cyril Ramaphosa prepares to leap from politics into big business, but black economic empowerment has often been created either on a mountain of debt or on foreign or local (but in either case white) patronage. Majakathatha Mokeona has devised a chilling formula — he admits, on the back of an envelope — illustrating just how long it could take a really big black group to own the assets of a really big white one. Read his warning on Page 14.

management and workers to the company," Ngcukana said.

Cunningham Ngcukana, the general secretary of Nactu, said Ramaphosa would bring experience from years of involvement in the socio-political struggle.

"He brings clout, integrity and proven administrative skills to the

company," Ngcukana said. Nactu's pension fund has a 14,3 percent stake in the company.

"You must understand that we actually produced Ramaphosa," said Ngcukana. "We are glad to have him back. He brings the union and social values we stand for to business," he said.



JOHNNIC STRUCTURE

JOHNNIC	% HOLDING
STRATEGIC HOLDINGS	
SA BREWERIES	13,7
PREMIER	27,8
TOYOTA	26,4
MANAGED ASSETS	
NETHOLD	5,2
PROPERTY	100
OMNI MEDIA	43,2
CNA Gallo	32,2
CIP	49,6
Maisters	25,0
MultiChoice	17,76
MTN	25,0
Nethold	40,5
Times Media	91,9
Multi-Choice	17,74
MNet	14,19
Nethold	4,3

Are black empowerment groups really black-owned?

(176) (30) CT (BR) 15/4/96

By MAJAKATHA MOKOENA

Cyril Ramaphosa's decision to become a businessman can only be a positive addition to the world of wheeling and dealing. He brings to the table rich experience as a negotiator and an extensive list of contacts that can only benefit the group he is about to join though he leaves a dangerously disproportionate ethnic balance in the government of national unity.

For black economic empowerment groups, he brings to the table real power he has acquired in the trade union and political arenas. But he must be careful not to fall under the spell of corporate mediocrity that afflicts most of the empowerment groups.

Worries about the state of the groups abound. Take Business Report's recent story about NSB's souring deal with the Indians. The deal was waiting for approval by the South African Reserve Bank and the Reserve Bank of India. Having ensconced themselves in key positions within NSB, however, the Indians do not seem to have the wherewithal to make true their commitment.

If the Reserve Bank of India had not approved the deal in the first place, why are the Indians occupying the cozy positions in NSB boardrooms? Watch out, Ntate Mahanyele: "Dithoto ke lefa la baa bohla (Fools are the wealth of the smart)."

Something is amiss here, and it seems to be a part of the disease that afflicts most of the empowerment groups — lack of confidence in themselves and in the younger, talented, and better-educated black professionals roaming the corridors of white-owned institutions.

Only two years ago, NSB attracted the best and brightest. Yet when crises have struck, those in positions of power have sought solace in foreigners or white people, not the black talent they have helped cultivate.

When are black people going to learn to solve their own problems or at least to make their own mistakes, instead of having others commit them on their behalf? Are we witnessing the managerial resistance of an old elite reluctant to pass on the baton to younger, more astute black professionals for fear of being eclipsed?

The African Bank is an example of this. Built with hard-earned pennies from the selling of fat-cakes and fish and chips to school-children in the townships, the bank was to be destroyed by the "Ou Baas NBS".

The young black professionals who were originally attracted to the bank by a vision of self-reliance were left pathetically ill trained and ill prepared to save the bank, even if they had been given a chance. Consequently, the bank was put under curatorship, and the NBS was called in to provide the badly lacking managerial skill.

Because of the inability of many blacks to raise capital, the 25 percent stake the government holds in the African Bank is threatened by the NBS. Thus, shares which should be warehoused for future sale to black people to keep African Bank as predominately black-owned as Absa, FNB, Nedbank, and Standard Bank are white-owned, are likely to pass into white hands.



WAITING FOR EMPOWERMENT How long before black economic gains are really felt across the nation?

When are black people going to learn to solve their own problems or make their own mistakes?

If blacks could maintain their strength in African Bank and other similar institutions, they could help future generations overcome the belief in the superiority of whites over blacks.

This belief still permeates our society, all the way up to our leaders in government and the supposedly more sophisticated empowerment groups. Of course, with the exception of those few who have remained true to the grassroots businessmen and women struggling from the pavements of our cities and townships, most empowerment groups seem to have forgotten who their constituency is.

They also steer clear of using black talent, citing lack of experience. The sad reality is that the empowerment group leaders are not really in charge of their institutions. Control lies with the people who own the bulk of the paid-up shares in the relevant companies, with those who have real managerial power through technical expertise and with those who lent black business leaders the money to pay for the companies they nominally own.

Just think where the power lies in the better-known empowerment groups. We have learned where it is in NSB and the African Bank. But the seemingly more impregnable New Africa Investments Limited and Real Africa Investments Limited have white godfathers as well. They too have foreigners as providers of loan or equity capital as well as managerial expertise, making them little more than front organisations.

Let us hope Ramaphosa can change this. He has accumulated too much respect in the new South Africa to simply squander it.

If almost all empowerment groups have their real power vested in white or foreign interests, can we even call them black economic empowerment organisations? We have to face the world as it is, not as we would like it to be. That way, we can provide better solutions for the real problems at

hand. The challenge we blacks must confront is the inability to properly manage our affairs and take care of whatever wealth we have accumulated thus far.

We need a form of measurement which will help guard against the robbing of formative black wealth in the new South Africa. The challenge is to define accurately the real extent of black ownership and power that blacks have in the empowerment groups. Quantifying this will force us to face the reality of our wealth as it is, not as it appears.

We should go even deeper and measure the sustainability of the shareholdings we buy, keeping in mind that ownership attained with borrowed money is only as sustainable as the patience of the lender. The shareholder's destiny, is thus determined by the lender, not by the shareholder himself.

There is one bold way of calculating real black control in companies: the black economic, or equity, value. Admittedly, this is a back-of-the-envelope calculation, but it attempts to measure the real value of shares owned minus the cost of their acquisition. The value would equal the value of shares held minus the sum of the debt incurred to acquire the shares and the interest expense.

The results may be harsh, but not many blacks can afford to buy millions of shares without borrowing substantially. And those lucky captains of the stronger empowerment groups are either leveraged to the hilt in their shareholdings or have acquired the shares through pure, unadulterated charity, which can only mean that they are forever beholden to those who made possible these acquisitions. Ironically, the poorer minority shareholders who actually buy their 200 or so shares have to fork out real money to purchase them.

Now, back to the formula. Say one owned 25 million shares of Nail or Rail, bought at R1 a share with an 18 percent loan two years ago. Assume the shares are still valued at R1 a share today. The calculation would then be: Black

Economic Value = [R25 million (the current value of the shares) - R25 million (the value of the shares at the time of purchase)] - [R25 million (the debt incurred) + R4,5 million (18 percent interest on the debt over one year)] or R0 - R29,5 million. The value is thus -R29,5 million.

Now, assume the share value doubles and see what happens.

$$\begin{aligned} BEV &= [R50m - R25m] - \\ & [R25m + R4,5m] \\ &= R25m - R29,5m \\ &= -R4,5m \end{aligned}$$

The value is still negative because the initial R25 million has to be paid back by selling the shares originally bought.

This method might help measure not only the black economic value in empowerment groups, but also the companies in the JSE.

If we know the number of shareholders in a company and the way they have financed their shares, we may also be able to add to it and calculate the Black Economic Value Distribution Quotient; that is the value divided by the number of shareholders.

According to the example above, even after the share price has doubled, the value is still negative. That means the share price has to grow by more than 100 percent for the value to be positive. I do not know how long one has to wait for one's shares to double so they are worth something.

We should be careful not to leverage our children's future and provide them with a situation worse than ours, which is pathetic enough.

We not only have to be able to measure our wealth; we also have to protect it with all we have. We have an obligation to make it grow for the sake of the country and our children. To do so, we have to ensure that we really own the black economic empowerment groups and cultivate a depth in managerial ability to protect them for future generations.

Those in positions of power have sought solace in foreigners or white people, says Mokoena

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Disciplinary steps will be published

Deborah Fine

BD 15/4/96
THE Council of the Law Society of the Transvaal will in future use its power and authority to publish the findings of disciplinary committees and sentences imposed on errant members for the benefit of society and the general public.

This was despite a special meeting in February at which members voted overwhelmingly against a motion for greater transparency whereby disciplinary hearings would be open for public scrutiny.

In the April edition of the SA attorney's journal, De Rebus, council president Esme du Plessis said that while the council had respected its members' decision, a re-drafted proposal which incorporated mechanisms to dispose of potential prejudice in the event of malicious or unsubstantiated claims,

would be acceptable to council members.

Vice-president Piet Langenhoven said anyone who had an interest in attending hearings should be permitted to do so. "We have been left behind in this regard by the other law societies and there is no way we will not be allowed to go the route of openness and transparency."

The Cape of Good Hope Law Society has already decided to publish findings in serious matters and has opted to include lay members on its disciplinary committee.

The Natal Law Society's disciplinary hearings are open to the public and the Free State's Law Society's rules give its council the discretion to publish findings.

Du Plessis said the council intended to disseminate more information regarding its disciplinary investigations and hearings.

Affirmative action policy

(176) (52)
Deborah Fine

BD 15/4/96

SA Society of State Advocates acting chairman Billy Downer has called on the justice department to provide a clear policy on affirmative action which would ensure the promotional prospects of white males while allowing for affirmative action promotions and appointments.

In the SA attorneys' journal De Rebus, he said that society did not regard as acceptable the "virtual total exclusion of white males from the promotion process".

Justice Minister Dullah Omar told the journal that every endeavour had to be made to make the legal service broadly representative in terms of race and gender.

This meant that in appropriate cases, previously excluded men and women with required qualifications but with less experience than some of their colleagues might be appointed.

BUSINESS WATCH

Edited by Charlotte Mathews

At the coalface

(176) CT(BR) 16/4/96

Affirmative action programmes need not negatively affect the bottom line—even in the near term. An innovative productivity-based remuneration scheme at Gengold's Beatrix mine underlines this.

Howard Laycock, the mine's general manager, said yesterday that the programme, introduced last year, involved the training of panel miners to assume more responsibility after earning a blasting certificate.

The idea is to achieve a cost-effective, safe, quality blast, resulting in improved productivity, safety and enhanced advances of the face.

Though the programme is still in its embryonic stage, the panel miners' average face advance had averaged about two metres more than the mine's overall average, Laycock said.

The panel miners were outperforming the rest of the mine in terms of safety results.

Panel miners are paid a basic stopping rate, with a bonus on top of that based on productivity and output, and additional incentives for items over which they have control.

At a 20-metre face advance they can double their basic wages with the bonus. Penalties are applied for slip-ups on safety and sweepings.

Brownie points go to Gengold and Beatrix — points that shareholders will be pleased to dole out if the programme continues to produce the desired results.

East Daggafontein

Shares in East Daggafontein, which treats slimes dams, have bounced up strongly in the past couple of weeks. Now at R13,75, they have drifted slightly below their year's peak of R14, more than 50 percent better than their low of R9 in January.

There appear to be two main reasons for the shift.

First, shareholders are being asked to swap their shares for a new

structure, a linked unit consisting of a combined debenture and share. Because debenture interest is declared before tax, this will increase the distribution substantially, particularly for unit trusts and non-residents owing to their zero tax rates.

As part of this restructuring, a special distribution totalling R1,34 a share is being declared. That would imply that the shares would rise by at least that much up to the date of the

with those in the US. Marilyn Visser, a director at Simpson McKie, said that the correlation between South African gilts and US bonds was "still very strong".

"The correlation is lost when the relative values of South African equities and bonds start coming out overwhelmingly in favour of bonds," Visser said. "Then local fund managers say they cannot ignore bonds here."

"Of course, the converse can also be true. The relationship can break down when gilts here look expensive compared to equities."

"That's a bit of a quirk because of exchange controls. Local fund managers who do not have the opportunity to invest freely in overseas markets must look at comparative values here."

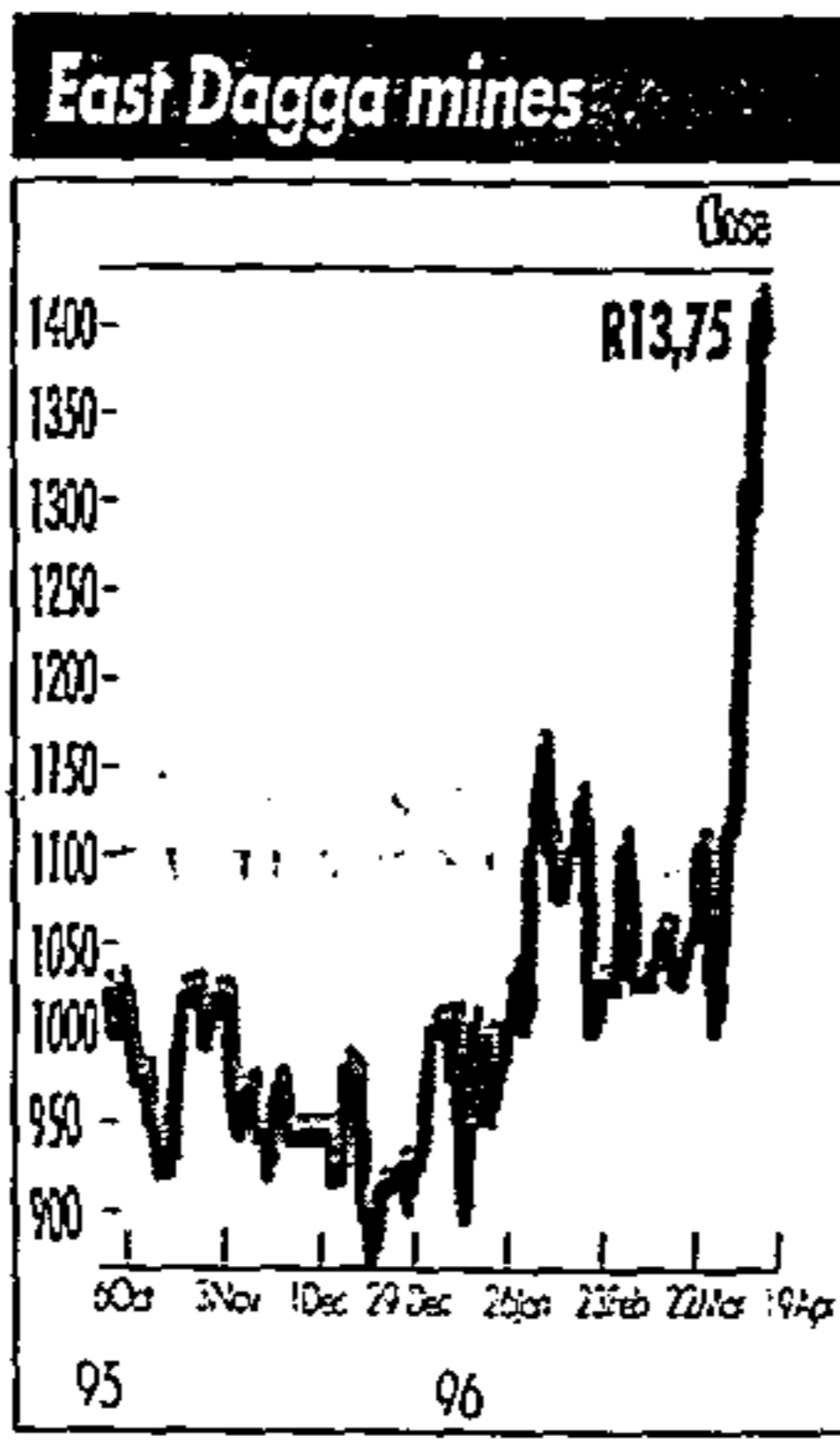
Nail

Just two days after the announcement that he was joining Nail and heading a combined Nail-NEC bid for Anglo's stake in Johnnic, it seems Cyril Ramaphosa is already being treated as MD of Johnnic.

Analysts say that assuming a combined deal is accepted, these sort of details will not be approached for a considerable time.

While the position of chairman or managing director of Johnnic seems certain to go to Ramaphosa, carving up Johnnic between the various parties involved in the combined bid — Nail, trade unions and black businessmen — will depend on the funds that each brings to the deal.

Indications are that the unions could be looking to put in about 50 percent of the required funds with the remainder split between Nail and NEC's black business partners. Such a deal would please the unions and Nail, and Nail might be prepared to take a smaller stake because its man would be holding the top position.



distribution. Analysts say that the second reason is that the company has declared its intention to seek out new projects to extend the life of the company.

Pieter Bieber, the chairman, says as sentiment turns in favour of the shares, a rights issue to finance this expansion will be more successful.

Bonds

Just when you thought it was safe to watch the United States bond market, South Africa bucks the global trend of following US bonds.

US analysts said yesterday that for the past two years global bond markets have shown a high correlation

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Telkom slated for lack of affirmative action

(176) BD 24/4/96

Renes Grawitzky

TELKOM top management continued to pay lip service to affirmative action while the "old guard" was still empowered and formulated the rules, Telkom's senior manager for affirmative action Nono Mohutsioa-Makhudu said yesterday.

Speaking at a Telecommunications and Broadcasting summit in Johannesburg, she said Telkom was far from achieving its affirmative action objectives, with the majority of blacks still being recruited to lower positions.

Figures for last year showed that 92,7% of management positions were occupied by whites, with the remainder split between blacks, coloureds and Asians.

Mohutsioa-Makhudu dismissed the use of quotas as it increased the risk of "window dressing", while targets ensured that "we have clearly concretised deliverables and action plans with time frames."

She said: "It should be emphasised that what gets measured gets done, and what does not get measured does not get done."

The Post and Telecommunications Workers' Association (Potwa), she

said, had ensured some progress on affirmative action. In support of a call by Potwa president Lefty Monyokolo that Telkom's board should include labour representation, Mohutsioa-Makhudu said having a "sprinkling" of black faces on the board did not necessarily ensure they protected their constituency's interests, as opposed to worrying about their pockets.

Monyokolo warned that the National Framework Agreement on state asset restructuring remained under threat two months after its signing.

He said labour was being prevented from formulating an informed response on necessary changes to the telecommunications industry as companies, including Telkom, had failed to give information to the union.

Monyokolo said the nature of the industry demanded a highly skilled workforce, which necessitated a direct investment in human resources by Telkom. However, an estimated 49% (or 16 497 employees) of the workforce were almost illiterate with an education below standard 6. Most of these workers, who had received on-the-job experience, really needed an integrated education and training programme relevant to the industry.

A Sowetan Business Souvenir Edition

Black empowerment's shining example

*2000
29/4/96*

By Matthew Getz

WHEN Dr Nhato Molana's New Africa Investments Limited (Nail) took control of Metropolitan Life (Metlife) in 1994, the assurance company became the largest previously white-held business in South Africa to pass into black hands.

The acquisition enabled Nail to become the largest black empowerment company in the country.

The sale of Metlife was in fact an integral part of the formation and growth of Nail. Nail's parent, Corporate Africa, set up a company called Metlife Investment Holdings (Mehold) in 1993 with the specific task of buying part of Metlife.

In August of that year Mehold bought 10 percent of Metlife with R135 million loaned by the Industrial Development Corporation. At the same time, the company received a five-year call option to buy a further 20 percent of Metlife and in early 1994 Sanlam sold a 20 percent stake for Mehold, which

Metlife's affirmative action programme is one of the best

‘Economically, Metlife has gone from strength to strength since Nail took control’

largely left out of much actuarial and insurance thinking in the past. More than 75 percent of the assurances policyholders are black and 90 percent of new business comes from the black community.

The company has diversified its property holdings and moved into black areas for the first time in the last few years. Only 11 percent of its R1,3 billion property holdings are in black areas, but that figure is

aging director, said: 'Africa is our market.'

But perhaps the company's most innovative and far-sighted scheme has been to extend insurance coverage to people who are HIV-positive, the first insurers in the world to do so. The policy, discussed for almost a year, was finally unveiled last month. This is a pioneering and, some say, a foolhardy scheme. Though Metlife recognises it will be expensive, the company feel it is a necessary task, especially when the great number of people with the HIV virus are taken into account.

Metlife is offering inclusive life coverage to up to 80 percent of South Africa's estimated 1,5 million people with the virus. Three conditions have been set on the policy, including a fairly healthy blood cell count and the restriction that policy holders be in Stage 1 or



had by then changed its name to Nail.

It bought the stake for R426 million. Sanlam received R95,7 million in Nail shares, R165,4 million in preferential and R165,4 million in cash. Nail in turn received what amounted to a controlling interest in one of the country's largest and most consisted assurance companies.

Nail was determined that Metlife would not be only a nominally black company; it had to have blacks working for it at all levels and had to play its part in the black community.

One of the best

Metlife's affirmative action programme, though not perfect, is one of the best in the country. It has been given the Scroll award for the best affirmative action programme in assurance. The company had a policy from last year that at least 40 percent of all new senior appointments had to be black. From the beginning of this year, the figure rose to 50 percent.

This policy has translated into real figures. From 1993 to September 1995, the number of black indoor managers, the proportion rose from 26,2 percent to 31,6 percent. Yet this is perhaps not so exceptional for a company that appointed its first black manager in 1971. Less than five percent of top management is black. And even though more than half of Metlife's board members are black, critics claim that most of the real decision makers in the company remain whites.

Nevertheless, Metlife's record is impressive when compared with most other firms in the sector, or indeed industry as a whole. On the consumer side, it has attempted over the last few years to restructure itself so as to appeal more to the black community, which was

growing. At present, the company is developing two shopping centres in Soweto worth over R100 million. One will be between 10 000 and 12 000 square metres and the other 20 000 square metres.

Metlife's involvement with Nail has been of great importance in two deal vitally important to the future of black empowerment: African Bank and Johnnic.

In the case of African Bank, Metlife, which held 17 percent of the company's stock, injected R100 million to the failing bank when it had to be bailed out last year. Its involvement ensured that bank depositors would get most of their money back.

The company may prove to be even more important in the Johnnic deal. Anglo has offered to sell 48 percent of Johnnic to black empowerment groups (although that figure may soon drop to 34 percent). Nail and the National Empowerment Consortium have put together a joint bid to buy the shares and thus acquire a controlling interest in the industrial holding company.

The shares are valued at R4 billion and Nail would have difficulty raising the capital without Metlife's R9 billion in assets at its disposal. The deal has yet to be finalised, but if it goes through Metlife will, by its very involvement, assist in transferring one of South Africa's largest and most powerful industrial companies to black hands.

Metlife has realised the unique demands of operating in an economy and region such as ours. It has been involved in education for deprived communities, condom distribution and Umthunzi, a pioneering assurance programme for small businesses. The company was also listed on the Namibian stock exchange last year, showing its commitments to the region as a whole. As Marius Smith, the man-

2 of the diseases as defined by the World Health Organisation. That is, they cannot have full-blown Aids when they take out the policy.

Coverage is expensive - R125 a month for the first R10 000 of cover and the policy is not fully comprehensive but Metlife has promised strict confidentiality and this is clearly a major step forward to causing a great many people's pain.

The Aids problem

The company attacked the Aids problem with a strong measure of foresight and cooperation. Peter Doyle, an actuary at Metlife, is considered to be the industry's expert on Aids and the company worked closely with the national Aids consortium in developing the policy. Other insurance, including Fedlife and Old Mutual, quickly followed Metlife's lead in extending coverage to people with HIV, putting South Africa in the forefront of the world, at least insofar as insurance coverage in concerned.

Economically, Metlife has gone from strength to strength since Nail took control, giving the lie to the supposition that black ownership is necessarily a bad thing for big companies.

For the past two years, the University of Pretoria Graduate School of Management has ranked Metlife's General Equity Fund, with returns of 28 to 30 percent, the best in the country. Its share price, about R20 before Nail started buying into the company, has moved up steadily to a level over R60.

For the year to September, it posted assets of R9 billion, total income of more than R2,2 billion, a price-earnings ratio of 42,15 and earnings a share of 156c. It had total dividends of 103c a share last year and is listed on the JSE at a capitalisation of R4,5 billion.



Dr Nthato Motlana ... Nail chairman.



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Don Ncube at the award of excellence function held in Johannesburg on Monday, 9 October 1995.

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A Sowetan Business Souvenir Edition

Unions committed to black empowerment

Sowetan 29/4/96

(176)



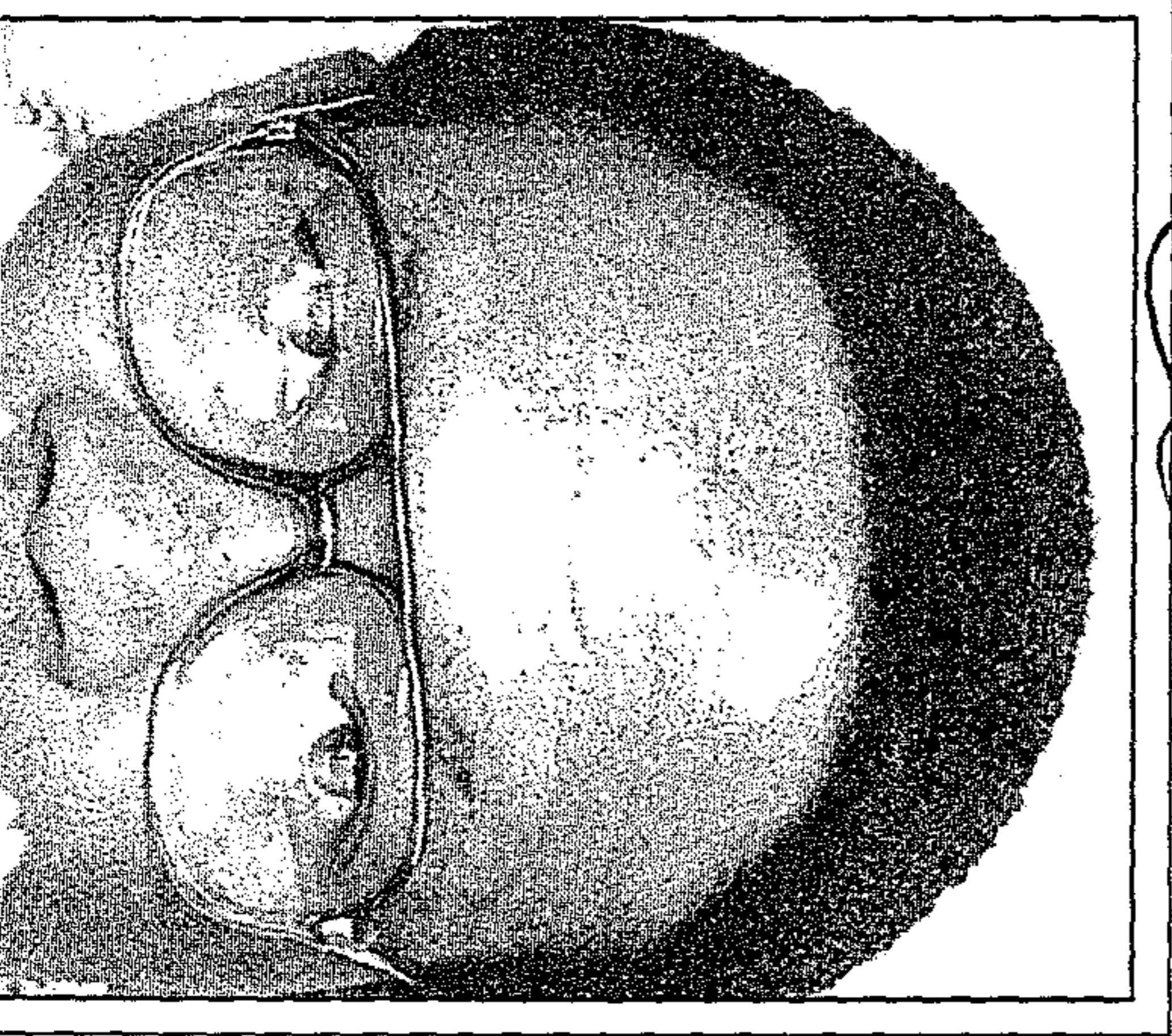
Mahlomola Skhosana – assistant general secretary Nactu

PHOTO: THE PRESS PHOTOGRAPHY



Mr Nelson Ndiniso – president of Sarhwi

SOUTH AFRICAN RAILWAYS AND HARBOURS WORKERS UNION (SARHWI) president Mr Nelson Ndiniso said black empow-



without training. This is the view of assistant general secretary of the National Council of Trade Unions Mr Mahlomola Skhosana.

"The basic principle is that people should be empowered with skills. We have to give ourselves time to get training, so that we are capable of acquitting ourselves well in whatever positions we are promoted to," said Skhosana.

Skhosana argued that buying into companies was good, but it was also important to have black people who will run the businesses. "We have to take a way that is long and demanding, but it will pay off in the long run. There is no point in placing people in top positions, only for them to fail."

Skhosana also said that it was time blacks stopped pinning for what whites own and establish their own businesses and financial institutions so that blacks could control the economy in their communities.

Skhosana said: "It is not that we don't have black-owned and controlled businesses. Take the taxi industry, for instance, it is wholly black. All we have to do is get our act together. If we can get that right, blacks can run public transport in this country."

"We also have the African Bank, the National Federated Chamber of Commerce and Foundation of African Business and Consumer Services. We have to improve these and we are on our way to economic empowerment."

Skhosana said Nactu had already begun sending its members for training in management at the University of South Africa.

ernment should not benefit a few individuals.

Ndimiso argued that black empowerment should not be left to big business, but the Government should facilitate it to ensure a more even distribution of power.

Ndimiso said: "Buying into big companies needs money and this places black people at a disadvantage. To buy you'd need funding and the funder would become the owner of that which you've acquired."

"If a financial institution funds a black group to purchase shares or a business, these individuals would have to meet certain requirements, failing which the banks would either withdraw the funding of take over the business."

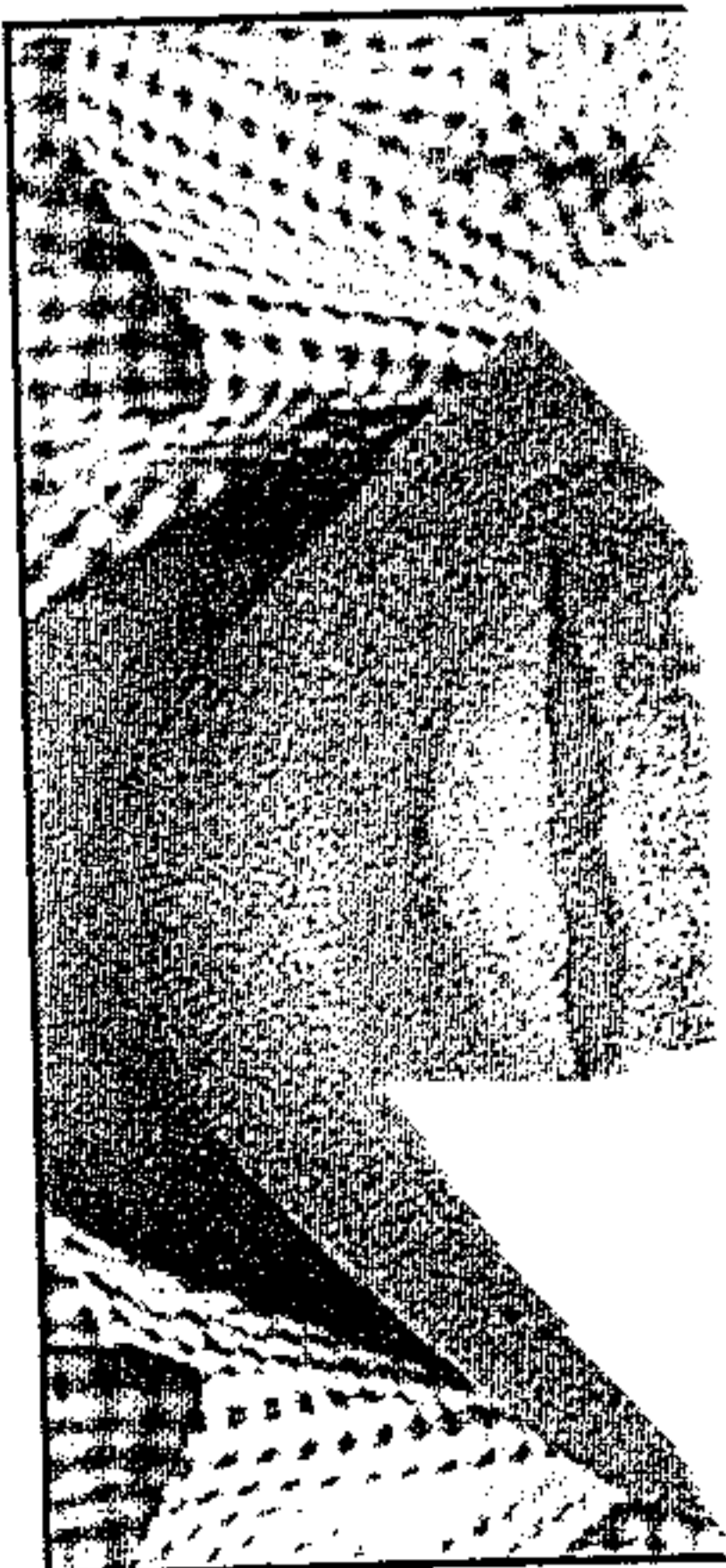
Ndimiso argued that the Government should redefine black empowerment or make available resources to ensure its success.

"Black empowerment as it is at present will only benefit a few individuals. It must not only be seen as buying into big companies, but a package which will include land distribution to benefit the landless."

He charged that trade unions needed to establish their own companies to become self sufficient and provided better services for their members.

"If there's industrial action, unions cannot assist workers financially. We also have to create a climate where we will be able to provide loans and bursaries for our members," said Ndimiso.

Sathwu is part of a consortium, including the National Education, Health and Allied Workers Union and several small independent unions, which bought 51 percent of the Sathrican insurance company.



**Mr Kgalema Motlanthe – NUM
general secretary**

GENERAL secretary of the National Union of Mineworkers Mr Kgalema Motlanthe said the success of black business would be an inspiration to African communities.

He said black business sought the support of trade unions and black communities in their plan to enter the mainstream economy, and unions would use the opportunity to generate money to fund job creation and to ensure equitable distribution of the economy.

Motlanthe said labour was establishing investment companies to ensure that the unions were self-sufficient and provided better service to their members.

He said the informal partnership would benefit both the unions and business, who wanted to project the image that they cared about social equity. "It is necessary for black people to see their own kind running corporations."

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Survey finds few black executives

(176) SD 30/4/96

Patrick Wadula

ONLY four of SA's top 50 businesses have a black executive director, according to a survey in the latest edition of Tribute magazine.

The survey — which examined the top 50 businesses on the basis of their total assets — also found that few companies employed senior black managers, and that black management in core businesses was almost non-existent.

There were a growing number of black non-executives, with 31 positions filled by blacks.

Tribute said Telkom,

Metropolitan Life, Transnet and the Development Bank of SA led the field in black non-executive appointments.

But the magazine added that "window dressing" was emerging as a disturbing trend.

There has been "an increase in the appointment of black non-executive directors who serve on boards and attend occasional meetings, but do not work for or at the companies," Tribute said.

The magazine said Eskom, Transnet, Nedcor and Southern Life counted blacks among their executive directors.

But SA's eight largest corporations, including Old Mutual, Standard Bank, Anglo American Corporation and First National Bank, did not have any black executive director. No organisation in the top 50 had a black MD or CEO.

There were also almost no black professionals at senior management level and there has been little sign of improvement in this area.

The most senior black professionals served as human resources managers, public affairs managers and reconstruction and development managers.

Sasol is still tightlipped on talks for a black oil company. P II

Sowetan

BUSINESS

Real power is economic

Investment comes to a halt in Zambia as elections approach. P IV

Empowerment

fund needed, says Natfococ

Sowetan 25/4/96

Money needed so black consortiums can buy portions of unbundled companies

(174) ~~174~~
By Mzimkulu Malunga

NATFOCOC is calling for the establishment of a black economic empowerment fund to support black consortiums that want to buy portions of unbundled companies and restructured parastatals.

Unveiling the organisation's economic vision for the country yesterday, the organisation's general secretary, Mr Mashudu Ramano, said the Government should sell its stake in big companies like Sasol and

pages in which the majority of South African live.

For this vision to be realised, Natfococ said, there was a need to develop a vibrant small business sector, prioritise black economic empowerment as well as develop a competitive big business sector capable of standing its ground in international markets.

On human development, the organisation said many people in the labour market were disadvantaged because of apartheid policies.

Poor education



Proceeds from such sales should be used to establish the proposed empowerment fund.

Nafcoc's economic vision document - "Growth and development with equity strategy" - attacks the Government on economic policy, the labour movement and big business on labour markets and tax issues respectively.

Unions come under fire for inflexibility

The Government is accused of following a "too conservative" economic policy while unions come under fire for inflexibility on the issue of collective bargaining.

Big business's demands for a further lowering of company tax has also attracted Nafcoc's criticism.

"How can you expect the Government to lower taxes and deliver at the same time," asked Ramano.

While Nafcoc is not opposed to maintaining financial discipline at Government level, the organisation says it is worried by efforts being made by the Government to cut the difference between revenue and expenditure - known as fiscal deficit.

"We think that a deficit of five percent is acceptable," said Ramano.

The Government is going full stretch to reduce the fiscal deficit to below four percent of the gross domestic product within the next few years.

Labour movement criticised

As for the labour movement, Nafcoc said inflexibility on the labour market coupled with calls for a 40-hour-week will exterminate small business - which is crucial in the fight against poverty and unemployment.

"We can talk about a 45-hour working week, but not a 40-hour-week," he argued.

The Nafcoc document, which is going to be submitted to the National Economic Development and Labour Council, centres around three key issues: The development of human resources, the implementation of policies that will encourage investment and the revitalisation of the townships and vil-

"Not only were they exposed to poor education in schools, but were also not allowed to accumulate human capital in the labour market," said the document.

In order to address this imbalance, Nafcoc argued, emphasis should be put on technical education, both at school and tertiary levels. Entrepreneurship and self-employment should be made mandatory subjects at learning institutions in the country.

"The Government must speed up the process of promulgating affirmative action legislation to facilitate the employment and training of workers," says the document.

The much talked about restructuring of parastatals was seen by Nafcoc as one of the avenues that could assist in the development of black skills.

Also, as part of the process of empowering black people, the Government should reserve half of the contracts it awarded to the private sector for black business.

The organisation called for a task team that would examine how tax specifically affected small business - this could be done either through restructuring the Katz Tax Commission to include small business representatives or could be undertaken by a different group altogether.

Amend tax legislation

Nafcoc also called for the amendment of the current tax legislation so that small business would only be required to register for Value Added Tax when their income reaches R500 000 a year.

Currently small businesses are required to register for VAT once their income reaches R150 000. The document also reaffirmed Nafcoc's commitment to its famous 1991 resolution which came to be known as 3456 resolution.

In that resolution the organisation said 30 percent of the board members of listed companies should be black by the turn of the century and during the same period 40 percent of the shareholders of listed companies should be black while half of their suppliers and contractors should be black.

Also, the resolution said 60 percent of the management of listed companies should be black by the year 2000.



Taking the bull by the horns... Mashudu Ramano unveils Nafcoc's economic vision at the organisation's offices yesterday. The document is seen as a response to criticism that black business is not doing enough to be part of the economic debate in the country.

Whites view affirmative action as racist

176
Sowetan 2/5/96

By Isaac Moledi

MANY South African white males regard affirmative action as counter-productive and a racist policy, resulting in discrimination against whites.

In the latest issue of *People Dynamics*, the Institute of Personnel Management says many white South Africans often understand affirmative action to mean preferential treatment which requires employers to discriminate against better qualified, or equally qualified, whites.

White males in particular are said to experience further discrimination when white women are also candidates for affirmative action.

"Some proponents of affirmative action will argue that white males deserve to bear this cost as in the past they have had privileged access to certain resources such as information, education and work experience," says the publication.

Within organisations, white males fear a lack of promotion prospects where, under affirmative action, upward mobility is seen to be a function of one's race or gender rather than a result of merit and proven competence.

Advertisements and recruiters who ask only for affirmative action candidates are said to aggravate fears of preferential treatment in the selection process - resulting in affirmative action being perceived as punishment for being the wrong colour or gender.

"It is proposed that since the past was characterised by affirmative action for white males, they now deserve disfavoured treatment. Such an approach, however, is counter-productive," argues the publication, adding that it is fallacious to imply that the goal of affirmative action is retribution.

"Affirmative action is about empowerment: The empowerment of all people and, through people, the empowerment of the organisation.

"Punitive action is not going to achieve this," says the publication.

It says if applied as it is now, punitive action against a certain group may precipitate a white backlash where white males will actively attempt to undermine the programme and its beneficiaries. This will sabotage such a programme and ultimately lead to its demise.

"What affirmative action may mean is that factors other than merit are used to make a selection decision. A fair affirmative action policy will give voice to each person's performance - related claims to being a deserving candidate.

"This is critical within the South African context, where race cannot be ignored when looking at meritorious indicators such as academic qualifications and experience," argues the IPM publication.

It says preferential treatment can also be evidenced in the implementation of quota systems, where organisations may resort to the 50/50 quota system as a method of achieving some sort of parity.

This, however, is contentious, for it carries implications of not choosing the most deserving candidate, but the best among the whites and the best among the blacks.

"In the minds of many white South Africans, affirmative action is seen as reverse discrimination where unqualified black men and women are hired because of their race and/or gender," says the publication.

It proposes that organisations should ensure that white males are not discriminated against and that their right to equal opportunities is ensured and that the organisation needs clearly and honestly to communicate its affirmative action policy indicating how race and/or gender is factored into selection/promotion decision taken.

Coloureds 'afraid of non-racialism'

LINDIZ VAN ZILLA

(176)

CT 3/5/96

COLOURED people were afraid of the unknown and the effect that non-racialism would have on them, Western Cape Health MEC Mr Ebrahim Rasool said last night.

He called for the social upliftment of coloured people to help address fears surrounding black empowerment.

Rasool was speaking during a debate at the Hewat College of Education in Athlone on the role of coloured communities in a democratic South Africa.

The debate, attended by about 120 people, also featured Police Services MEC Mr Gerald Morkel, director-general of the President's office Professor Jakes Gerwel, and Democratic Party MP Dr Richard van der Ross.

Rasool said "coloureds had banded together because they feared non-racialism would mean they would not get any resources. They feared their houses being taken over."

Former UWC rector Gerwel spoke of the alienation coloured people were feeling in an emerging nation.

"In the mid-1980s coloured students started feeling alienated from student political activity at UWC," he said.

People like Dr Alex Boraine and Dr Frederick van Zyl Slabbert had helped immensely in reassuring white Afrikaners that democracy was in their best interests.

"Coloured people need a similar reassurance," he said.

Morkel dismissed notions that coloured people had voted NP during the 1994 elections out of fear, saying "we should give the people credit for voting NP".

Van der Ross said the concept of coloured people was not a definable, as they were a group without borders.

A new front opens the battle for affirmative action

TEXAS has asked the US Supreme Court to give a new ruling on the legality of affirmative action following several court decisions in the US which have challenged the constitutional basis of the policy. New arguments in support of affirmative action are being presented.

JOAN BISKUPIC of The Washington Post reports.

ALLG 3/5/96

176

IN a case that could determine the fate of affirmative action in university admissions throughout the United States, the state of Texas has asked the US Supreme Court to allow schools to consider race in choosing students, arguing that the nation has a compelling interest in assuring that its top universities have a diverse student body.

Texas officials are seeking the reversal of a federal appeals court ruling that struck down an admissions program at the University of Texas law school and declared that diversity was not an important enough goal to justify making race a factor in admissions.

Playing to the court's recent emphasis on protecting states' rights Texas contends a public institution should have wide latitude to set its own screening policy, without federal court interference.

The state's petition in Texas versus Hopwood filed this week even questions whether the white students who were denied admission at Texas's law school had a right to sue the state.

That proposition startled civil rights lawyers who wondered whether the argument eventually could backfire on racial minorities who traditionally have relied on the federal courts to sue states over discrimination.

The Texas petition, which was

written by Harvard law professor Laurence Tribe, is the critical first approach to the Supreme Court as Texas and civil rights activists nationwide frame a legal strategy to overturn a US Circuit Court of Appeals decision in March.

The rejection of university affirmative action was the first of its kind by any federal court.

"The national significance of the decision is obvious," Texas told the judges.

"Moreover, even apart from the equal protection issue, this case presents fundamental questions of state sovereignty and federal judicial power."

Of the need for affirmative action, Texas said, "Diversity is an especially compelling interest in legal education.

"No other discipline deals so fundamentally with the ordering of human relationships in our society, including racial and ethnic minorities who have been subjected to discrimination."

"This is a huge, huge case," University of Chicago law professor Cass Sunstein said this week.

"It puts the admissions policies of every public university in the country, and possibly private institutions that might be affected through (federal funding), in doubt."

Notre Dame University law pro-

fessor Douglas Kmiec, a former Justice Department official who helped formulate the Reagan administration's opposition to affirmative action, said, "Diversity sounds good in the academic context, but where is the constitutional root for that?"

Cheryl Hopwood and other white students who successfully sued over their rejection by the University of Texas law school have until the end of May to file a response to the state's petition, but this week their lawyer Theodore Olson dismissed Texas' arguments.

"The constitution prohibits discrimination on the basis on race," Olson said, "and diversity is not a compelling circumstance.

"The idea of diversity (as a legal grounds for affirmative action) could allow perpetual discrimination against people who never practiced discrimination themselves."

Although the Supreme Court will not announce for at least another month whether it will accept the case, the heightened interest around the filing of the petition reflects not only academic anxiety over how they screen applicants, but the uncertainty over affirmative action generally.

Because the Circuit Court of Appeals decision went beyond Supreme Court precedent legal experts said it is a good candidate

for the judges' review.

In its last term, the Supreme Court ruled that federal contracting programmes specifically benefiting people based on race require strict judicial scrutiny to ensure that equal protection rights were not infringed.

Overall, this court has grown deeply suspicious of racial classifications that were originally designed to remedy past discrimination, suggesting the time has come to have truly colour blind government action.

But academic programs have been treated differently.

The Supreme Court has never repudiated its decision in 1978 allowing race to be considered in university admissions.

In that case, University of California Regents versus Bakke, the court said admissions preferences could be used to further the compelling state interest in educational diversity.

At the same time, the court struck down a programme that specifically set aside seats for minority applicants to a state medical school.

The Circuit Court of Appeals ruled that Bakke's allowance of some affirmative action, which arose from fractured votes among judges, was no longer the law, in light of the 1995 decision subjecting a federal affirmative action to the toughest

judicial scrutiny.

The appeals court, which covers Texas, Louisiana and Mississippi, rejected the assumption that individuals possess characteristics by virtue of their race: "To believe that a person's race controls his point of view is to stereotype him."

The original Texas programme struck down in the now controversial ruling had evaluated applicants on two separate tracks.

Blacks and Mexican Americans were subject to lower standards for test scores and academic records.

Hopwood and the other white students who sued Texas were denied admission to the school when their test scores and undergraduate grades narrowly missed a category that guaranteed admission.

About two years ago, as the litigation was proceeding, the school began changing its practices.

Texas Attorney General Dan Morales said this week that the state was permanently turning its back on the two-track admissions scheme that triggered the lawsuit and using race only as one of several personal factors unique to a student.

The Texas petition argues that the Circuit Court of Appeals severely limits "a state's ability to remedy the present effects of pervasive past discrimination in its own public education system."

'Blacks are not being affirmed'

176

South African 9/5/96

By Abdul Milazi
Labour Reporter

Despite an agreement signed in 1994, not much has been done

TWO YEARS AFTER the concept of affirmative action was adopted by Government, top management of the mining industry is still white.

This is the view of deputy chairman of the Black Management Forum, Stanley Mashanyu, who says blacks are deliberately marginalised to maintain white control of the industry.

"They always talk of competence and lowering of standards whenever we propose change in the composition of their management teams."

Mashanyu says discrimination begins as far down as middle management and no effort is being made to train blacks for these positions.

Glass ceiling

"There are blacks at personnel management, regional management and higher levels. Many of our members have resigned out of frustration because they could not break the glass ceiling."

"Mining management is deliberately distorting the notion of black advancement, they have all of a sudden forgotten that Africans were denied the same opportunities for development as their white counterparts. It was good to advance Afrikaners then, but it is taboo to do the same for blacks," he argues.

Mashanyu says development programmes like those of junior engineers are used to frustrate blacks while advancing whites.

"Statements like 'they are not ready' or 'they are potential material, but not yet polished for the

position' are thrown around casually to justify keeping blacks from taking up top positions."

There is no equal employment that can succeed without first correcting the imbalances on the mines, says Mashanyu.

He says it is inevitable that black professionals are recognised and afforded the opportunity to redirect the economic means of production with meaningful authority.

"BMF should be given legal status to monitor these companies. Afrikaners created the Broederbond to empower their people, but with us there is so much hesitation."

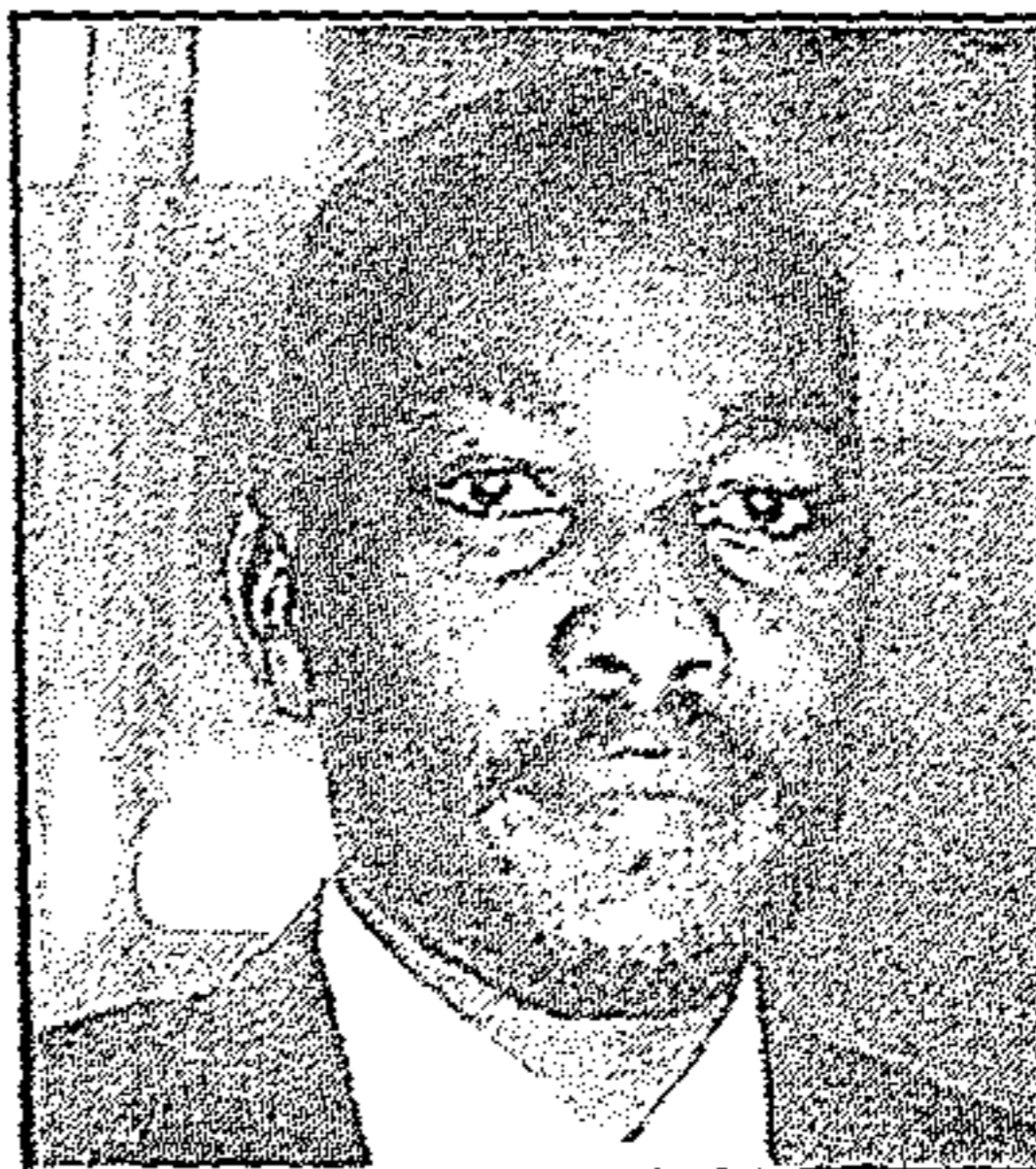
He says time has come for South Africa to have black mining managers and the Chamber of Mines Council should reflect the demographics of the country.

Chamber of Mines spokesman Llewelyn Kriel says there is an affirmative action agreement between them and the National Union of Mineworkers signed in 1994.

"The agreement commits the two parties to pursue a sensible and practical programme to address the issue of disadvantaged parties in the mining industry.

"There are extensive programmes in place at mine level as envisaged by the agreement."

Kriel, however, says the chamber has no jurisdiction over staff appointments at mine level and it is



Stanley Mashanyu.

PIC MOTLAPELE SEGALE

up to individual mines to implement the agreement.

Anglo-American Corporation representative James Duncan says: "Statistics show that it takes a minimum of 10 years to take carefully selected matriculants through university and the necessary developmental stages in the workplace into management positions.

"We believe that our training and development programmes in the key disciplines of mining and engineering, and in metallurgy and finance resources management, are very sound. They are not a quick-fix and we are in no way apologetic about that," he says.

Duncan says Anglo currently has 48 mining students, 26 of whom are black and 77 engineering students with 47 of them black.

the Harare Declaration on human rights (CMAG), and the United Nations.

In the case of CMAG, the Group was appointed by the Commonwealth Heads of Government Meeting (CHOGM), held in New Zealand during November last year, to deal with serious or persistent violations of the principles of the Harare Declaration, *inter alia* in Nigeria. The Group met in London during December 1995 and again in April 1996. At the first meeting, it was decided to send a mission to Nigeria to pursue dialogue with the Nigerian Government aimed at the speedy restoration of democracy and constitutional rule. Following the continued refusal of the Nigerian Military Government to receive the mission, the Group, at its second meeting, *inter alia* took note of the fact that political and other detainees had not been released and recommended implementation by the Commonwealth of a number of further restrictive measures against Nigeria, including visa restrictions on, and a denial of educational facilities for, members of the Nigerian regime and their families; an arms embargo; a ban on sporting contacts; and a downgrading of diplomatic missions. It was also decided that further measures, *inter alia* of an economic nature, would be considered in consultation with the European Union, the United States and other members of the international community.

In the United Nations, South Africa, although not a member of the Commission for Human Rights, played a pivotal role in the adoption by the Commission of a resolution by consensus on the human rights situation in Nigeria, which *inter alia* called on the Nigerian Government to restore *habeas corpus* and release all political prisoners.

(b) The press conference took place on 13 February 1996. The request for the audience was conveyed on 23 February 1996.

The meeting took place on 5 March 1996. The second CMAG meeting in London took place on 23 April 1996. The United Nations Commission for Human Rights adopted the resolution on

Nigeria in Geneva on 23 April 1996 as well.

(c) There has unfortunately been no positive response by the Nigerian Military Government to any of the above-mentioned actions to date as far as the release of General Obasanjo and other political prisoners or detainees is concerned.

Government delegation to Beijing: discussions
*22. Mr C W EGLIN asked the Minister of Foreign Affairs:

(1) Whether he intends leading a Government delegation to Beijing for discussions with the government of the People's Republic of China; if not, what is the position in this regard; if so, (a) when are the discussions to take place and (b) what will be the subject of the discussions;

(2) whether the South African delegation will convey to the government of the People's Republic of China the attitude of the South African Government towards the issue of diplomatic relations between (a) South Africa and the People's Republic of China and (b) South Africa and the Republic of China; if not, why not; if so, what are the relevant details;

(3) what is the attitude of the South African Government to each of the issues referred to in paragraphs (2)(a) and (b) above?
N524E

The MINISTER OF FOREIGN AFFAIRS:

The hon member is referred to the oral reply given to Question 12 in the National Assembly on 15 May 1996.

Tax amnesties: amounts retrieved

*23. Mr K M ANDREW asked the Minister of Finance:

Whether any amounts in back taxes have been retrieved in any of the various tax amnesties in the past five years; if so, what amount was recovered during each amnesty period?
N525E

The MINISTER OF FINANCE:

The 1993 moratorium was aimed at taxpayers who failed to render tax returns timeously. Assurance was given that prior years' tax

returns would be accepted without the imposition of penalties in respect of the late rendition thereof. This moratorium did not prove very successful as it was not properly publicised. Separate records of the amounts of tax paid by taxpayers who submitted arrear returns were not kept.

The object of the 1995 tax amnesty was to expand the taxpayer-base by registering many taxpayers as possible. Many of the taxpayers who came forward during the amnesty period were salaried taxpayers. In these cases they were registered as taxpayers as from the 1995 tax year. It can further be argued that there are no arrear taxes in these instances as their employers had already deducted/employees tax at source and it was paid over to the Receiver of Revenue where the employers were registered.

By 18 April 1996 a total of 15 662 taxpayers had been granted amnesty and taken on the income tax register. The Commissioner for Inland Revenue is unable to furnish specific details relating to arrear tax paid under the amnesty as this information was not captured separately and many of the assessments have yet to be issued. Furthermore in terms of the Tax Amnesty Act the applicants are entitled to pay off the taxes over various periods, depending on which taxes are involved. The Commissioner is however aware of two separate payments totalling R1 357 260 relating to previously undisclosed sales tax which were made as a result of the 1995 tax amnesty.

State tender contracts: investigation of affirmative action

*24. Mr K M ANDREW asked the Minister of Finance: **176**

Whether, with reference to the reply to Question No 26 on 6 September 1995, the Task Team investigating affirmative action in respect of the awarding of State tender contracts has delivered its report; if not, what is the position in this regard; if so, (a) what proposals did the Task Team make and (b) what is the status of these proposals?
N526E

The MINISTER OF FINANCE:

Yes.

(a) The Task Team proposed, as an interim strategy until a Green Paper has been completed by the end of June 1996, that a preference system be introduced to target the previously disadvantaged sector of the community. This preference system is based on equity owned by Blacks and women. Guidelines for the implementation of an affirmative procurement policy, through joint ventures between established and emerging companies, was also drafted by the Task Team.

(b) The preference system as well as affirmative procurement policy were approved as an interim measure by Cabinet and is in the process of being implemented by national departments and provinces.

Madimbo Corridor: protection of environment

*25. Mr N J J VAN R KOORNHOF asked the Minister of Environmental Affairs and Tourism:

(1) Whether his Department is considering taking any steps aimed at protecting the environment in the Madimbo Corridor; if not, why not; if so, what are the relevant details;

(2) whether there are any mining activities in this area; if so,

(3) whether any prospecting contracts have been awarded in this regard; if not, what is the position in this regard; if so, what are the relevant details;

(4) whether he will make a statement on the matter?
N562E

The MINISTER OF ENVIRONMENTAL AFFAIRS AND TOURISM:

(1) Yes. The Department of Environmental Affairs and Tourism is considering taking steps to conserve the environment in the Madimbo Corridor, but with acknowledgement of the framework prescribed by Schedule 6 of the Constitution. Schedule 6 states, amongst other things, that the executive responsibility for the environment is a provincial competence.

The Department does not have executive powers regarding the prospecting taking place in this area. The approval thereof has

tion with all their might. It is totally unjustifiable for a teacher who has received years of training in his or her profession to have to accept almost under duress a voluntary package at the age of 30, for instance, and then to have to be contractually excluded for the rest of his or her life from his or her chosen profession.

The DP is of the opinion that this Draconian measure possibly contravenes the right of every person to participate freely in the economy and to make a living anywhere on national soil. We therefore seriously appeal to teachers and teaching organisations to consider the matter carefully before complying with this provision.

THE MINISTER OF EDUCATION: Madam Speaker, the hon member spoke of the NP and the ANC playing football. I wonder if it would not be better to call it a game of ping-pong. [Interjections.] I want to say, however, that the national Ministry of Education and the ANC have not participated in those games.

I am speaking here of agreements which have consistently been followed as agreed to between the State and the teachers' organisations. Those agreements have not included the question of retrenchment. We are consistently dealing with this question of teacher redeployment because it allows us to move towards equity. If the hon member would want to protect the apartheid privileges and stop us from moving towards equity, it should be made clear. [Interjections.]

I also want to add that the overnight champions of teachers in the Western Cape must go to the teachers in the poorly funded provinces, speak to them and find out how they feel about the large numbers and large classes they teach, and about the redeployment that is meant to aid them and equalise the expenditure on education.

I believe that the President made statements which were supportive of what is being done. It is true that the President is engaged in attempting to find funds to aid this process. [Time expired.]

Mr K M ANDREW: Madam Speaker, we have no objection to equity; on the contrary, we believe that one of the primary objectives of the education system should be to move towards equity. There is, however, a difference between moving towards equity and blundering, stumbling and destroying a system in the process. [Interjections.]

The equity issue is a critical issue, and there can be no justification for having inequitable alloca-

tions of resources for one day longer than is necessary, although, as the Minister has said, it takes a few years to make the adjustment. Equally, however, we need to recognise that if we are going to have world-class businesses in a world-class economy, we must be very careful that in the essential process of moving towards equity, we maintain the existing centres, and create new centres of excellence, so that we can produce the people who are going to be able to do this for us.

Unfortunately the education debate has been characterised by contradictory statements made by the President of this country, by the Minister himself and by the MEC of the Western Cape. The result of that is insecurity and uncertainty in all sectors of the education community, which results in inefficiency and demoralisation. What needs to happen, and should have happened ages ago, is for the education authorities to come clean with the schools and the teachers and tell them the truth, palatable or otherwise.

The vast majority of teachers are interested in education and not party-political squabbling and point-scoring. Parents, teachers and pupils are pleading: Stop using our schools as political footballs. In this very difficult process we must allow school communities the maximum discretion in making the necessary adjustments towards the agreed target.

Mr J A JORDAAN: Madam Speaker, the last sentence in the introduction by Prof Roy Preiswerk to Dr Bengur's published doctoral thesis read: "Many things can happen to a stone without it becoming any wiser." I would like to ask the hon the Minister to go and read again what he himself wrote. In our process of nation-building, I would like to quote, slightly adapted, something that was in the last paragraph of the hon the Minister's thesis:

The political tragic elite of South Africa, the lonely outsiders who exist vicariously on the cliff-like margins of many cultures, many who are distrusted, misunderstood, maligned and criticised, by the left and right, by Christian and pagan, many who carry, on their frail but indefatigable shoulders, the best of two worlds, and who, amidst confusion and stagnation, seek desperately for a home for their hearts, a home which, if found, could be a home for the hearts of all men.

*I wish to appeal to this hon Minister. Go and read it again and create a dispensation that can really

make South Africa the home of all of the people who are currently living here. I think that this is of critical importance to all of us. [Time expired.]

THE MINISTER OF EDUCATION: Madam Speaker, I do want to say that the academic quotations that were cited today are irrelevant. In fact, the quotation from Prof Preiswerk, who was my professor and colleague, was meant to apply to the particular hon member who appears not to have changed and who has behaved like a stone in the face of circumstances that we find ourselves in in education in this country. [Applause.]

I challenge hon members in the opposition, and especially the DP, to propose a solution that is better than ours in moving towards equity and effecting equitable funding in this country. And I do promise that I will consider such a solution seriously, but I want to say that the complaints are coming from those parties which least represent the underfunded provinces and sectors of our society. In fact, the complaints should be coming from the underprivileged and from the provinces that would like to increase their funding. Instead they are coming from the privileged who fear that they will lose those privileges.

No amount of academic quotation is going to convince us that what we are doing, with the support of the provinces and the teacher organisations, is unacceptable, and we shall do it. I want to tell hon members that we are committed to equitable funding in education.

Debate concluded.

QUESTIONS

†Indicates translated version.

For oral reply:

Executive Deputy President (Mr T M Mbeki):

THE MINISTER OF WATER AFFAIRS AND FORESTRY: Madam Speaker, as the hon the Deputy President Mr Mbeki is chairing a very important conference on the information highway in Johannesburg, I would like to ask if this question, with your permission, could stand over until next week.

*1. Mr M J ELLIS—Executive Deputy President (Mr T M Mbeki). [Question standing over.]

Executive Deputy President (Mr F W de Klerk):

Affirmative action programme in Office

*1. Mr T M MAFOLO asked the Executive Deputy President (Mr F W de Klerk):

Whether his Office has embarked on an affirmative action programme in regard to the employment of Blacks and women; if not, why not; if so, what are the relevant details?

N499E

THE EXECUTIVE DEPUTY PRESIDENT (Mr F W de Klerk):

Yes. My Office has adopted a balanced affirmative action programme based on the provisions of section 212 of the Constitution of 1993, which is aimed at promoting a broadly representative and effective Public Service.

In terms of this programme, preference was given in the filling of vacancies to the appointment of suitably qualified people from under-represented groups, women and disabled persons in accordance with the criteria set out in section 212 of the Constitution of 1993 and Public Service Staff Code BVII. Of my Office's establishment, 85,25% comprises such persons. This is 15,25% above the required criteria as set out in the White Paper on the Transformation of the Public Service. White males make up only 14,75% of my Office's establishment.

In this whole process the Office never dismissed, or discriminated against, any employee who had given good and loyal service.

Ministers:

Questions standing over from Wednesday, 20 March 1996:

*Questions numbers *12 and *13 were replied to jointly by the Minister:*

Memorandum from SA Ambassador in Italy

*12. Dr B L GELDENHUYSS asked the Minister of Foreign Affairs:†

Whether his Deputy Minister has received a memorandum from the South African Ambassador in Italy in connection with the visit to that country of a certain Deputy Minister, whose name has been furnished to his Department for the purpose of his reply; if so, what was (a) the

Hansard

(1996)

Popcru fumes after warders fired over 'affirmative action' strike

Thirty-five prison warders who staged a month-long strike at Uppington prison in the Northern Cape have been fired, the Department of Correctional Services said yesterday.

"The dismissal of the black warders can at best be described as an act of naked racism," the Police and Prisons Civil Rights Union said after the sackings on Tuesday.

The warders launched the strike on April 15 to support demands for affirmative action and that half of

the administrative posts be reserved for Popcru.

The department said in a statement that the strikers were fired "as a result of illegal strike actions and criminal offences".

A Northern Cape correctional services spokesman said the action was taken after a series of negotiations had failed to resolve and normalise the situation.

He said the strikers had subsequently ignored a court order to re-

turn to work and an ultimatum from the department. The department then asked the strikers to put in writing their reasons for not resuming duties.

However, the department fired the warders after finding that 35 of them had not presented sufficient reasons for their actions, he added.

Popcru has called for the immediate reinstatement of the warders, saying the department's action was an effort to obstruct change. - Sapa.

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Star 16/5/96

R50bn to be allocated to municipal infrastructure

BD 20/5/96 ~~176~~

Mduduzi ka Harvey

THE constitutional affairs ministry plans to allocate more than R50bn to municipal infrastructure investment in a bid to enhance capacity of delivery, particularly in historically disadvantaged areas, in 10 to 20 years, said Deputy Constitutional Affairs Minister Valli Moosa.

He said detailed research by government had indicated significant backlogs in services and infrastructure, particularly at local government level.

The report submitted to the Cabinet argued for a significant programme of investment by both government and the private sector in municipal infrastructure.

To date the programme has entailed preparation by the RDP office and the departments of finance, housing and constitutional affairs.

Moosa said his department envisaged implementing the programme through capital grants to

local authorities which would ensure basic services were delivered.

He said that after elections in KwaZulu-Natal on June 26, the major task would be to establish a White Paper on local government which was expected to come into effect at the end of the year and which would be the constitution of local government by next year.

This would ensure that local government was on par with the provinces and was assured of an equitable share of resources collected at national level. In addition the department would forward to Parliament proposals for bridging legislation for definition of powers and functions of different councils and substructures.

Rural local government would be given additional powers and added financing to make them viable and sustainable in the next two years.

At provincial level, the department would work at establishing co-operative governance and mechanisms in the different tiers

of government aimed at bringing about greater co-operation and harmony. An intergovernmental forum would also be established where the provinces could raise concerns at central government, while a white paper on co-operative governance would be drafted.

The department was finalising the payment of traditional leaders from central government level by September and for this purpose the capacity of the department would be upgraded to deal with traditional leaders and to clarify the distinction between the role of traditional authorities and elected councillors.

In implementing the constitution, the department was establishing the council of provinces, dealing with further constitutional amendments and taking over the Constitutional Assembly's duties of creating public awareness of the constitution, while plans with the education ministry were under way to introduce constitutional education at high school.

Affirmative action leads to changes in top management

BD 20/5/96 (176)

Ingrid Salgado

THE Gauteng government had managed to change drastically the racial character of its top management structures by viewing affirmative action as a short-term strategy, the commissioner of Gauteng provincial service commission Lulamile Mbete said at the weekend.

The province had used "every opportunity" to employ qualified people from previously disadvantaged groups.

This was opposed to several institutions' policies of targeting effective representivity over a period of 10 to 15 years, Mbete told Gauteng's economic affairs standing committee.

The commission, which released its 1995/1996 annual report at the weekend, revealed that blacks filled just less than half the province's top management posts compared to none at the time of provincial elections two years ago. Women filled nearly a quarter of these positions, compared to a mere 2% about two years ago.

Many managers were retrenched or took the option of early retirement during the public service's absorption process, which created space for new appointments, while many additional management posts were created.

However, the province had a bottleneck in broadening representivity in middle and junior management because most staff at these levels had been absorbed into the public service.

The system that the new government inherited had also created a "bantustan at the bottom of the system" where the bulk of lower-graded workers were black, Mbete said.

Commission chairman Patrick Fitzgerald said government had also inherited a training policy that lacked a strategy, was over-centralised and of poor quality.

The commission had attempted to decentralise training and give line departments the ability to initiate and manage training programmes — although there should be some control by a central body.

Govts yet to cut salaries

Stephen Laufer

CAPE TOWN — Northern Province, Mpumalanga and Northwest Province had not yet implemented a request to reduce the salaries of their premiers, MECs and office bearers in the legislatures, Deputy President Thabo Mbeki told the Senate in reply to a question.

Salaries had been reduced in February last year by the Cabinet, but at the time national government had no jurisdiction over provincial salaries. Remuneration of provincial office bearers had been a presidential competence since September last year.

KwaZulu-Natal had also not acted. It wanted clarity on method of recovery of overpayment.

Chamber calls for policy on black empowerment

(176) BD 21/5/96

Patrick Wadula

THE National African Federated Chamber of Commerce has called on government to table a blueprint for economic empowerment, claiming many black empowerment companies have fallen short of their goals.

The chamber said at the weekend government needed to put down a policy on what black empowerment should be and how it should be implemented.

The issue will be discussed today when the chamber's Gauteng region opens its annual meeting.

Chamber president Joe Hlongwane said a policy statement from government would allow black business to properly lobby for empowerment, focusing on funding and the transfer of technical skills. "This will help the government in transforming the economy to empower the people."

He said much of the economic empowerment to date was perceived as

failing to create jobs, and benefiting the few rather than the many.

"I see nothing wrong in some becoming rich, but that should not be done in the name of black empowerment."

Hlongwane said property and asset ownership and unbundling conglomerates could lead to empowerment, but only if entrepreneurs had the skills and know-how. Companies should seek JSE listings but the chamber wanted to see more of the listed companies creating employment.

Today's conference, to be opened by Gauteng premier Tokyo Sexwale, has taken The Changing Face of Black Business as its theme.

"We believe that redistribution of (minority-held) wealth is of prime importance, that the issue of training and skills transfer to black entrepreneurs is long overdue and the matter must be given priority," the chamber said.

"We are still looking up to government to assist with more programmes," Hlongwane said.

Affirmative action is important, but where are the skilled candidates?

Black chartered accountants are now commanding a premium over their white counterparts, in the process frustrating many an affirmative-action programme.

"Indeed," says Peter Wilmot, a non-executive chairman of the South African board of Deloitte & Touche, "affirmative action is probably one of the most difficult challenges facing the profession in this country today."

His firm, as do most others, acknowledges the need to broaden its base to be more representative of the country's demographics. Problem is, the level of skills available is exceptionally low.

Wilmot points to initiatives aimed at correcting the imbalance, the most prominent of which is the provision of bursaries to aspiring accountants. But the difficulty is in finding the candidates.

"Matric mathematics at the higher grade level is required for the CA. That, regrettably, eliminates many of the potential applicants and will continue to do so until the education system improves.

"We have a reputation for being a white elitist profession. The elitist label doesn't bother me; the white tag does. We want to be more broadly based. But it's a huge problem because standards are high. The amount of knowledge required of the average young CA has vastly increased over the past 10 years," he says.

Wilmot is uncompromising on the need for high standards, stressing that if South Africa is to compete internationally, those standards must be maintained.

"An additional affirmative-action problem is that the moment an aspiring black CA shows any acumen, he goes. Everyone has the same agenda. They want to get a similar representation. So anyone

who shows any sort of ability is just snapped up. That's why a black CA commands a premium over his white counterpart."

And it's why, of Deloitte & Touche's 190-odd partners, only one is black. There are 10 non-white partners.

"The profession is hoping that by expanding membership of the institute it will broaden its base at several levels. Thus, one could join the institute as a bookkeeper and then, over time, rise to be a full CA," says Wilmot.

The institute has 15 000 members; fewer than 100 are black. In any one year, about 2 100 people write the board examination. About 50 percent pass and of that 1 000, seldom are there 30 blacks. Extrapolating from those numbers, the black representation would take forever to change. Looking at that scenario, the institute is saying it should broaden the base in the meantime.

Would it not be easier to broaden the base by lowering standards?

"We dare not allow standards to slip, because the road back is almost impossible. Additionally, South Africa's entry into the global economy prohibits low standards. We have to be up with the best," says Wilmot.

It is for this reason that the institute has decided to adopt international accounting standards.

"If standards don't tell it the way they would like it to be told, some innovative thinking takes place and interpretations become more broadly based and more lax.

"Now we're saying we have to play the game according to the



PETER WILMOT

Affirmative action is one of the most difficult challenges facing accounting in these times

By JOHN SMIRA

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world's rules. It's no good us having a local interpretation. No one's interested, because when an investor looks at a set of financial statements from a South African company, he wants to know how reliable they are; what standards have been used. This is crucial.

"The only way we can convey the reliability message is to ensure that financial statements comply with international standards," says Wilmot.

'We don't dare allow standards to slip, because the road back is impossible'

Up to now, the local standards have allowed more options and choices than international standards permit. Now, says Wilmot, the accounting profession is going through the "painful process" of aligning its standards with international guidelines. It has set itself three years, of which half has elapsed.

Wilmot stresses that several South African companies do very well in terms of international compliance. But there are a number that do not do well at all.

"The reality," Wilmot emphasises, "is that probably 80 percent of companies comply. It's with the minority that the problem lies.

"We as a firm strongly encourage our clients to follow international accounting standards. If

you're a large corporation and you want to become a world player or you want to be listed on foreign stock exchanges, you have to comply. And business is realising it has to attract foreign capital to survive.

One of the requirements is that they are international in their reporting," says Wilmot.

As a corollary, the profession is seeking legal backing for accounting standards. The institute believes that if South Africa is to get to grips with compliance standards it needs more teeth than it has at present.

The Companies Act says financial statements must be prepared "in accordance with generally accepted accounting practice". But there is no definition of "generally accepted accounting practice" or what is generally followed in practice.

The lawyers have interpreted the term as "that which is written in accounting standards as approved by the Accounting Practices Board, or what industries generally tend to do".

This bedevils the situation in that an industry practice can be generally accepted, even if it were contrary to an existing accounting standard. And even though it is contrary to a standard, it is generally accepted accounting practice.

"We need to eliminate these alternatives. The aim," says Wilmot, "is to amend the



Peter Wilmot, a non-executive chairman at Deloitte & Touche

Companies Act to require compliance with approved accounting standards unless it is considered that such compliance would distort fair presentation, in which event departure would have to be explained and quantified. This would eliminate the present dichotomy."

That process is well advanced and Wilmot hopes it will become law by this time next year.

"When that happens, we're into a new ball game, because any departure from those standards

would be a contravention of the act and would carry with it the sanctions imposed by the act.

"The principles would still be broad, but interpretation would be the key. We don't want to write detailed statutes. Therefore, to have the means of assessing whether things have been interpreted correctly, the idea is to set up a review panel in terms of the legislation.

"Complaints could be submitted to the review panel, which would decide if the complaint was

valid. If so, the panel would have powers in terms of the act to compel the company to comply," says Wilmot.

In Britain, he says, a similar panel has the power to order the directors to recall the financial statements and to re-issue them based on proper accounting standards, with the cost of that exercise being borne by the directors personally and not by the company.

"They have never had to go to those lengths because the financial press has been a deterrent. No company likes a headline which accuses it of failing to comply with accounting standards. The British accounting profession believes it has achieved a lot thereby. Indeed, non-compliance in the UK is rare. Hopefully in South Africa it will also become rare," says Wilmot.

He says that the South African proposals will take accounting standards out of the ambit of the profession and place them under the umbrella of legislation.

"This has been a fear, because it is perceived to place the issue in the political arena, with obvious drawbacks. In particular, the proposed accounting standards council could have people sitting on it who have no idea of accounting but who are politically acceptable.

"We cannot afford to have that happen. So we aim to achieve an election process to appoint people from commerce and industry, the universities and the profession.

"All these measures will," Wilmot is convinced, "improve the quality of reporting in this country. And, just as importantly, they will place an added stress on compliance."

He has strong feelings on the high levels of fraud in South Africa.

"It is frightening. I often ask my clients: 'Have you had a fraud this year?' If not, I say: 'Don't pat

yourself on the back, it's just that you haven't found it.' That's how bad it's got.

"Fraud is a malady in South Africa. If we allow it to go on at this level, you can kiss foreign investors goodbye. I believe it is as big a problem as any in South Africa.

"It used to be the petty cash clerk. Now it's at the very top. And the higher up the corporate ladder, the more difficult it is to detect," says Wilmot.

Four years ago, Wilmot relates, a listed client of Deloitte & Touche uncovered a massive fraud. Some of the perpetrators were brought to trial. They got off, because, in Wilmot's view, the prosecution was poor. They had hired the best legal brains, so the state did not have a chance.

The crime today, says Wilmot, is not the crime itself, the crime is to get caught.

"Worse, even if you're a fraudster who does get caught, the chances are you will never be prosecuted, because you can confuse and confound the trails in such a way that a successful prosecution won't materialise.

"Take Ed Dutton. The police said they spent eight man-years investigating him at an approximate cost of R10 million. Where's Dutton today? In Australia.

"We have to say to ourselves that our laws in this country for this sort of thing are totally inadequate. Our laws are making it very difficult to bring a successful prosecution.

"Also, companies don't want to go to the hassle and embarrassment just get rid of him. And that adds credibility to the belief that crime does pay.

"It sends the message that the higher up the corporate ladder you are, the less the chance of your being prosecuted," says Wilmot.

1

AFFIRMATIVE action and economic empowerment are fundamental catalysts in the transformation of society, within the framework of shared responsibility to create opportunities and prosperity.

However, both interventions have failed because black people have not defined the agenda. We have not outlined what needs to be in place for success to be achieved, what our role as black people needs to be for this to succeed and who should be driving these processes.

It does not matter what we call it, what we need to agree on is what we want to achieve through affirmative action. There will also be variations on how we reach our goals because the realities are different, challenges vary, and companies are at different stages of transformation.

Why does SA need affirmative action? Because ultimately the only strategic asset that any economy has is its people.

These people must be able to think for themselves, have inquiring minds, subscribe to the culture of lifelong learning to remain competent and competitive, be appropriately educated, add value to the economy through their productivity, and continue to develop in keeping with global and economic demands.

It is against this background that we must see and embrace affirmative action — not narrowly as creating a representative workforce.

We already employ large numbers of blacks, but the problem is they have remained at the bottom of the employment ladder where they are constantly vulnerable when companies retrench, restructure and reposition.

Why is affirmative action an appropriate transformation tool? It serves to broaden the ownership base so we can have greater stability, to create an enabling economic environment, i.e. access to all key resources and to create a shared responsibility for economic growth,

Black empowerment needs a common vision to succeed

WENDY LUHABE
(176) B028/5/196

globalisation processes, job creation and making SA a competitive and productive nation.

What have been the constraints? We do not have a common and shared vision on affirmative action and economic empowerment. We must define these so that we all sing from the same page.

Historic patterns of low investment in the development of people — less than 1% in SA versus 5%-10% in Asia for example — remains a key barrier.

We must eliminate the high levels of illiteracy to enable people to develop and respond positively to economic challenges. People at all levels must contribute.

Our educational institutions, from kindergartens to universities, must have an economic focus, that is we must turn out more financial professionals, economic, engineering, technological and computer graduates.

We must achieve a better alignment between what we prepare our children to study and what the future economic imperatives and requirements are likely to be.

We must develop a strategy to increase the culture of entrepreneurship to reduce the overdependence

on large companies which holds society to ransom. Limited access to capital and resources which has encouraged the development of more employees than employers remains an insurmountable barrier.

Both these areas must be driven by the principles of development rather than redistribution or rebalancing as the latter gives the impression of taking away from one group to give to the other — apartheid in reverse, as we often hear.

Human resources systems, procedures and policies are not supporting business growth and transformation goals.

Meritocracy is a misnomer when it is defined in Western terms and selection is made within a Western context. This leaves out a whole range of people who are equally capable.

The quality and level of competence of our human resources management is shocking.

Most people in that role were never educated to manage and develop people. Many were trained to maintain compliance to secure jobs for life. Others, who did not meet

management performance requirements, were sentenced to the human resources division. We are stuck with unmotivated people with little leadership capability to transform companies.

There is no appreciation and alignment between business and profit goals and how these impact on people's capabilities, commitment and work ethic.

Line management lacks skills to manage and develop people, to harness diversity, to communicate effectively, to listen to others, and to interact respectfully.

There is a lack of willingness from those with experience and knowledge to pass these on to others to enable them to improve overall efficiency and performance, and to move to higher positions on merit, not on prejudice.

Black people who sit on company boards as non-executive directors have great difficulty adding value as they do not understand the business and have no operational context to identify strategic areas clearly to add value and ask strategic questions. They are not part of the informal decision-making structures. The reality is that no decisions are made in the boardroom, so

it is an irony that this structure even exists.

Again, there is no attempt to ensure that black non-executive board members are effective, in the same way that companies do not ensure that black people who are placed in historically white male-dominated positions, do succeed.

Naturally, the vicious cycle continues where blacks fail to meet expectations and whites confirm their worst fears.

Training provided must be redefined, in both form and content, and aligned to business requirements.

The hierarchical structure of companies does not serve as an incentive to ensure that all employees succeed in their jobs. Those that succeed are the favourites and traditionally will occupy those positions for 10 to 20 years without any changes or opportunities for others to challenge these positions.

Companies do not create a work environment that is enabling, where people know what they are doing, they do not create a place that is human, that increases self-worth and the self-esteem of employees so that they can work effectively and harmoniously together.

The convergence of services, markets and suppliers has not been fully leveraged to focus the country as a whole towards the development of employees.

Poor and adversarial relationships between management and the workforce at large, double standards and restrictive practices inhibit transformation.

Finally, we have an inability to integrate new thinking, acknowledge current reality and define a shared vision.

Wendy Luhabe is managing partner in a human resources development company.

Due to the public holiday weekend in the US, Simon Barber's regular column has been held over until tomorrow.

Black business 'must know what economic empowerment means'

Patrick Wadula

(176)

BD 30/5/96

BLACK businesses need to reach a consensus on what is meant by black economic empowerment, says Dynamo Investment chairman Oscar Dhlomo.

Dhlomo, who founded Dynamo last year with an initial capital of R101m funded by Absa Merchant Bank, says there are several versions of black economic empowerment among black businesses.

At the moment, black people who used their entrepreneurial ingenuity and risked their personal savings to empower themselves by establishing companies, thus creating new jobs, were accused of enriching themselves. "This negative attitude could possibly be remedied if we knew what black economic empowerment was supposed to mean in the first place."

Once consensus had been reached by black business, it had to sell its version to corporations and government.

Ultimately there would be a broadly acceptable version of black economic empowerment right across the board which all



DHLOMO

stakeholders could strive for.

Dhlomo, who comes from a business background — his father was the first bus operator in KwaZulu-Natal in the late forties — also runs a family business. It specialises in developing retail centres in previously disadvantaged communities.

"We give preference to small business people from these communities when choosing our tenants for the centres," he says.

Today these businesses are valued at between R10m and R15m.

It was important that black businesses prospered so that many more black people entered the mainstream of the economy.

To help achieve these goals, Dhlomo has set up an educational trust, the Sizanani Educational Trust, which has a 10% stake in Dynamo. The purpose of the trust is to offer scholarships to black students in business administration and related fields.

Through Dynamo's participation at board level in companies it invested in, it encouraged affirmative action programmes in their labour policies.

"Affirmative action needs to be accompanied by vigorous and purposeful industry-based education and training programmes.

"If this is not done, we will end up with token managerial appointments which will be detrimental to both employer and employee," says Dhlomo.

Affirmative action team announced

(176)

By Christo Volschenk

CT(BE) 30/5/96

ECONOMICS EDITOR

Cape Town — Tito Mboweni, the labour minister, has appointed the former head of Britain's Equal Opportunities Commission to an 11-strong team of experts to draft an affirmative action Employment Equity Bill.

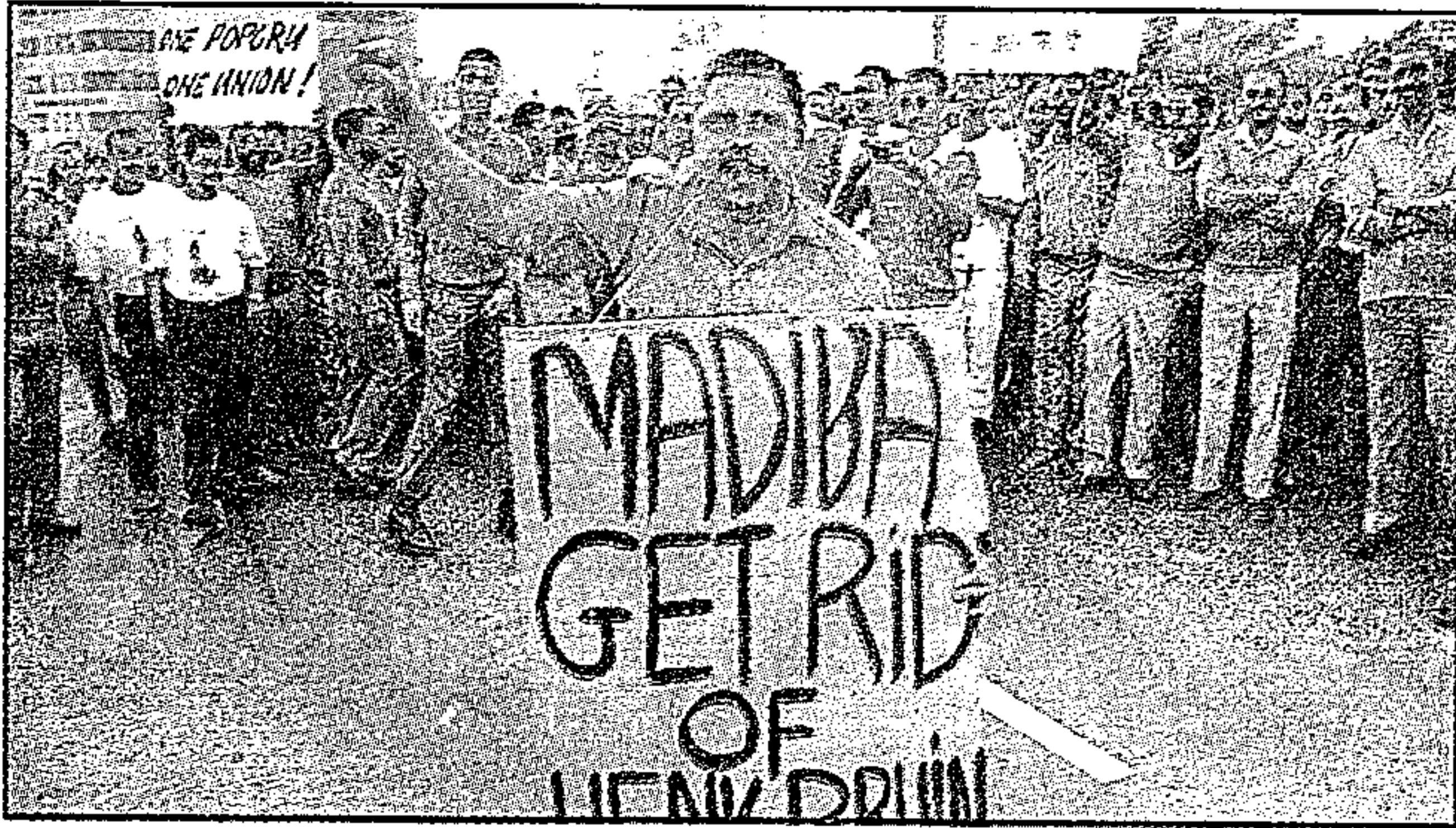
Valerie Amos, 41, resigned early from her £50 000-a-year job as chief executive of the state-funded commission in 1993 after praising the opposition Labour Party for offering more to women than the ruling Tories. She had previously worked for left-wing councils in London.

No representative from business was named to the team yesterday. Other members include Urmila Bhoola of the law firm Cheadle Thompson & Haysom; Caroline White of the Centre for Policy Studies; Thuli Madonsela of the justice ministry; Guy Mhone, Neva Makgetla, Mpho Makwana and Lucia Rayner of the labour ministry; Siphon Madlopha of Madlopha Attorneys; Paul Benjamin of Cheadle Thompson; and a state law adviser.

Business fears the drafters may favour the US model for promoting equality in the workplace, which requires regular progress reporting. But the labour ministry is adamant that the team will not transplant a foreign model.

"The team will be guided by international labour standards, the constitution, government policies and the actual extent of inequality amongst the people in South Africa, not by any single model," a spokesman said.

Popcru marches to demand affirmative action



Picture: HANNES THIART, The Argus.

ACTION MAN: Prisons inspector Adam Silver demonstrates his demand for faster affirmative action in the police and prisons services and the removal from office of national prisons commissioner Henk Bruin.

NORMAN JOSEPH

Staff Reporter

ARGUS/7/96

MORE than 3 000 police and prisons officials marched on parliament today to demand swifter affirmative action.

Addressing the march organised by the Police and Prisons Civil Rights Union (Popcru), African National Congress MP Carl Niehaus, who is chairman of the parliamentary committee on prisons, said meaningful affirmative action and not window-dressing was needed.

Chanting prison warders and police - some in uniform - marched from District Six to hand over a list of demands to a senior correctional services official at the gates of parliament.

Correctional services provincial commissioner Steven Korabie said: "The department agreed more than two years ago that affirmative action would be introduced but so far nothing has happened. I fully support Popcru."

When the Service is so informed members are deployed and the provisions of the said Act enforced. The matter was discussed with the attorney-general and any possible misunderstandings in this regard cleared up.

- (2) Yes.
- (3) The provisions of the said Act are enforced.
- (4) No.

Retirement/retenchment packages to employees

*6. Sen A K BEESHAM asked the Minister of Justice:

- (1) Whether his Department intends offering (a) retirement and/or (b) retrenchment packages to employees in his Department; if not, what is the position in this regard; if so, what are the relevant details;
- (2) whether he will make a statement on the effect that the acceptance of such packages will have on the efficient functioning of his Department, particularly in KwaZulu-Natal?

S342E

The MINISTER OF HOUSING (for the Minister of Justice): Mr President, first of all, allow me to apologise for the hon the Minister of Justice's absence. He is in the National Assembly, leading the debate on the National Intelligence Vote. The reply to the question is as follows:

- (1) (a) The Department does not offer, nor does it intend to offer, any retirement and/or retrenchment packages. In fact the Department is anxious to retain the services of all its personnel, especially professional personnel. However, on 22 May 1996 the Department of the Public Service and Administration made an offer to serving officials (not magistrates and attorneys-general) that they could request that their services be terminated on a voluntary basis with appropriate financial packages. If employees in my Department make such requests, it should not be assumed that they will be acceded to. Each application will be considered

on its merit. In addition, the need of the Department and the interests of the administration of justice will be taken into account and only thereafter will decisions be taken.

- (2) I am not in a position to make any statement at this stage except to state that on the one hand I am mindful of the need to be fair to employees. On the other hand, the efficient functioning of the Department is a priority. I shall only be able to make a statement after the receipt of applications, if any.

Senator A K BEESHAM: Mr President, arising out of the hon the Minister's reply, may I ask whether there has been any written explanation, such as she has given now, to the various departments under the Minister's control? Have they been informed of that?

The MINISTER OF HOUSING: Mr President, can the question please be referred to the Minister himself?

Visits to academic hospitals in Western Cape

*7. Sen C R REDCLIFFE asked the Minister of Health:†

- (1) Whether she visited any academic hospitals in the Western Cape recently; if so, (a) which hospitals and (b) what was the purpose of these visits;
- (2) whether any hospital superintendents have made any recommendations to her; if so, what recommendations has each such superintendent made;
- (3) whether she will make a statement on the matter?

S343E

The MINISTER OF HEALTH:

- (1) Yes;
- (a) Redcross Children's Hospital
- (b) To see the hospital, talk to the personnel and to donate R500 million from our clinic building programme for the upgrading of the hospital.
- (2) Discussions were held generally around a whole variety of things ranging from the upgrading of the hospital, the workload,

patients, management, etc. No specific recommendations were made to me.

- (3) No.
- Senator A VAN BRENDA: Mr President, would the hon the Minister be kind enough to repeat that amount of R500 million? I think she has added a couple of zeros to that amount.

The MINISTER: I apologise. The actual amount was R5 million.

*8. Sen A K BEESHAM—Transport. [Question standing over.]

Micro-centralised grids

*9. Sen S J MONGWAKETSE asked the Minister of Mineral and Energy Affairs:

Whether his Department will consider establishing micro-centralised grids in (a) Makhusa Village in the Northern Province and (b) Swartkopsfontein (Ramoetswe) in the Province of North West; if not, why not; if so, what are the relevant details?

S345E

The MINISTER OF ENVIRONMENTAL AFFAIRS AND TOURISM (for the Minister of Mineral and Energy Affairs):

My Department has no line function responsibilities vis-à-vis the supply of electricity. Electrification projects are the responsibility of Eskom, Local Authorities and other smaller dedicated institutions. Departmental actions in this regard consist of policy development, demonstration projects and facilitating action where required. My Department is at present reviewing the process of national electrification planning, including grid extension and decentralised systems, but this will take a number of months to complete.

Micro-decentralised grids for the villages stated in the question are not considered at present.

My Department is currently addressing the electrification of a number of small rural villages by means of pre-feasibility studies, one in the North Cape Province (solar-thermal energy) and one in the East Cape Province (micro-hydro). These studies are scheduled to be completed by December 1996. If these studies indicate socio-economic viability, demonstration projects will be investigated and

funding will be sought from international agencies. The feasibility of such systems depends on the cost, acceptance of and affordability by the local community. Once these investigations have been completed, clarity will exist on the application of the systems in other rural villages.

It is important that projects of this type are conducted in the form of integrated energy and rural development projects, and must therefore address the complex set of local conditions as well as the availability, costs and characteristics of the different forms of energy.

Senator S J MONGWAKETSE: Mr President, arising out of the hon the Minister's reply, I am aware that it is definitely going to take the department a long time to electrify those areas. I wish to remind the hon the Minister and his department that at this very moment a 10 megawatt diesel-operated and remote-controlled decentralised microgrid is being used successfully by the Mountain Club of South Africa to provide electricity on top of Table Mountain in Cape Town.

The PRESIDENT OF THE SENATE: Order! I think we should add a question mark. Then the hon senator's input will be in order. [Laughter.]

Affirmative action criteria iro tender bids

*10. Sen W F MNISI asked the Minister of Housing:

Whether her Department has established any affirmative action criteria according to which tender bids for housing projects falling under the control of her Department are evaluated; if so, what are these criteria?

S346E

The MINISTER OF HOUSING:

No. Proposals for housing projects are not invited by Provincial Housing Boards in terms of State Tender Regulations. Project proposals are initiated by developers and/or community based organisations and submitted to Provincial Housing Boards for consideration. These project proposals are adjudicated in terms of a set of criteria prescribed in Part Three of Volume A of the Housing Subsidy Implementation Manual. The following quoted criteria are pertinent to the question of Senator Mnisi and must be dealt with explicitly and in fully motivated terms in the project proposal.

Community self-management:

The extent to which the project caters for the need for capacity building within the community through deliberate measures to facilitate the acquisition of skills and knowledge to enable it to take responsibility for developmental issues, the preservation and maintenance of fixed community assets and the management, in general, of its own interest and destiny on a sustainable basis."

Employment potential:

The extent to which the project contributes, both directly and indirectly, to the gainful employment of community members through the use of local small building contractors and labour intensive building methods."

Declaration of free trade area in SA waters

*11. Sen J SELFE asked the Minister of Environmental Affairs and Tourism:

(1) Whether his Department is involved in negotiations with the European Union for the declaration of a free trade area in South African waters; if not, what is the position in this regard; if so,

(2) whether his Department has conducted investigations into the impact such a free trade zone will have on (a) the South African fishing industry and (b) marine conservation; if not, why not; if so, what (i) were the results and (ii) was the extent of the investigation?

S347E

The MINISTER OF ENVIRONMENTAL AFFAIRS AND TOURISM:

Mr President, the first part of the question is virtually the same as the one to which I responded earlier. The reply is:

(1) No.
The Department was approached by the European Union with a request to consider a bilateral fisheries agreement, but clearly indicated that this could not be considered prior to the tabling of the report of the Fisheries Policy Development Committee.

(2) (a) No.
(b) No.

Hansard

Such an investigation will be premature, seeing that no decision has been taken that such agreements will in principle be acceptable in the new fisheries dispensation.

Senator B T NGCUKA: Mr President, arising out of the hon the Minister's reply, what is "a free trade area in South African waters" and what are the implications of that?

The MINISTER FOR ENVIRONMENTAL AFFAIRS AND TOURISM: Mr President, I do not think that the word "free trade area" is applicable to our waters. It is a question of access that we can provide bilaterally to other countries, or to the fishing vessels of other countries. However, it is not a concept that really finds application in the fishing industry.

Senator M BHABHA: Mr President, further arising out of the hon the Minister's reply, would any agreement in fact have an impact on present fishing quotas?

The MINISTER: Mr President, there is nothing under consideration at the moment, as far as access to our waters is concerned, in connection with other countries or their fleets. Obviously, should such agreements be entered into, it will affect the availability of fish to the local companies. However, this is an absolutely theoretical proposition and, therefore, the answer is also theoretical.

Community policing forums in Western Cape

*12. Sen J SELFE asked the Minister for Safety and Security:

(1) Whether any community policing forums have been established in the Western Cape; if so, (a) how many, (b) where, (c) from what sources are these forums funded and (d) for how long will such sources of funding continue to be available;

(2) whether any arrangements have been made for the funding of these forums once the current sources of funding are no longer available; if not, what is the position in this regard; if so, what arrangements?

S348E

The DEPUTY MINISTER FOR SAFETY AND SECURITY:

(1) Yes.

(a) Hundred and twenty five (125) Community Police Forums.

(b) See the attached list of forums.

(c) The forums are funded from the Western Cape Community Police Budget.

(d) Until at least the end of the current financial year.

(2) No.
No such arrangements have been considered at this early stage.

Registration of Community Police Forums status of applications 3rd June 1996 (Underlined—funded for 1995/96)

Albertinia: Registered 29 April 1996

Ashton: Registered 27 February 1996

Athlone: Registered 27 February 1996

Atlantis: Registered 13 January 1996

Beaufort West: Registered 14 October 1996

Bellville: To be registered 8 July 1996

Bellville-South: Registered 1 January 1996

Bishop Lavis: Approved—to Commissioner 3 May 1996

Blue Downs/Eerste River: Approved—to Commissioner 2 April 1996

Brackenfell: Registered 28 November 1995

Bredasdorp: Registered 19 February 1996

Bridgton: Combined with Oudtshoorn

Bongulethu: Registered 11 October 1995

Callitdorp: Registered 11 October 1995

Camps Bay: Registered 25 March 1996

Cape Town: Registered 9 November 1995

Ceres: Approved—to Commissioner 13 March 1996

Clanwilliam: Copy of criteria sent 3 March 1996

Claremont: Registered 30 November 1995

Cloetesville: Registered 3 May 1996

Convulle:

Registered 14 January 1996

Darling: Approved—to Commissioner 2 April 1996

De-Rust: Approved—to Commissioner 3 May 1996

Delft: Registered 26 October 1995

Doringbaai: Approved—to Commissioner 20 May 1996

Durbanville: Registered 13 November 1995

Dysseldorp: Registered 6 March 1996

Eendekuil: Registered 29 April 1996

Elands Bay: To be visited 30 May 1996

Elsies River: Registered 7 December 1995

Gansbaai: Registered 5 March 1996

Gendendal: Ready for approval

George: Registered 13 October 1995

Goodwood: Approved—to Commissioner 28 May 1996

Grabouw: Approved—to Commissioner 3 May 1996

Grassy Park: Registered 17 October 1995

Greyton: Registered 19 February 1996

Groot Brakrivier: Approved—to Commissioner 2 April 1996

Groot Velddrif: Registered 27 February 1996

Gugulethu: Registered 31 October 1995

Hanover Park: Registered 28 March 1996

Heidelberg: Registered 5 March 1996

Herbertsdale: Approved—to Commissioner 19 January 1996

Hermanus: Registered 9 April 1996

Herold: Approved—to Commissioner 19 January 1996

Hex Valley: Registered 7 March 1996

Hopfield: Approved—to Commissioner 3 May 1996

Hout Bay: Visited 21 September 1995

Kensington: Approved—to Commissioner 2 April 1996

Khayelitsha: Registered 7 March 1996

Klappanuis: Registered 1 March 1996

MANAGEMENT

Patrick Wadula

(176)

THE whole question of affirmative action and transformation in companies needed a balance between experienced staff and opportunities given to the previously disadvantaged, Armscor chairman Ron Haywood said recently.

Addressing African Renaissance's "bosberaad" in Mpumalanga, he said opportunities had to be created, adding that tokenism could be the "kiss of death" to a company.

"Quality standards should not be entirely compromised. Employers have to do their share in ensuring the proper implementation of affirmative action."

He said opportunities for big companies to transform and empower black business were there and that a question that perhaps should be asked was, why should white business assist in empowering blacks?

There was no doubt that business, while putting its own selfish interests first, did realise change had to take place—and fast.

Haywood attributed this to pressure being brought to bear by government and the people.

The question that has to be answered by black businessmen is: what do they have to offer any group, organisation or potential partner?
"One needs to be able to offer more

Tokenism, a corporate kiss of death?

By 6/6/96

than just tokenism. Black business needs a very strategic partner, particularly for a fast start," he said.

This partner should provide the support structure, finance, funding, security and credibility.

Joint ventures were certainly the way to look, particularly if one could find a suitable overseas partner or a major SA institution, he said.

According to Haywood, one of the main opportunities for black empowerment lay with the possible privatisation of parastatals.

"The major source of income is actually being able to share in the business opportunities of the parastatals such as Transnet, Telkom and Denel as these are some of the most powerful organisations in the country.

"While a shotgun approach is necessary to identify opportunities, a group's key areas of focus have to be either specific expertise or contacts."

It was important that once one selected these key areas, one should get something started and make a success of it. However, Haywood cautioned: "If one tries to do too much too soon and with limited resources, one normally finds that very little starts to happen.

"Furthermore, we find that SA business is controlled by the few who include Anglo American, Sanlam and Old Mutual. One should be talking to

these large groups because they generally do have the potential to make black business become a force in a short space of time," he said.

"To be dabbling with other smaller players means that it can be very difficult to get off the mark, and it takes a long time."

To be able to show credibility by having a powerful partner was important for ongoing success and New Africa Investments, which was growing from strength to strength, was a case in point. Linkages with trade union pension fund money could also be a means of obtaining funds.

Another issue which should be addressed was how to sell the black business. This could be done through brochures and publicity.

It would be important to establish a strategic plan, a way to implement it and drive the process to gain funding and resources.

The ultimate responsibility for making things happen lay with the CEO—but shareholders and directors had to have a strong commitment to make an organisation succeed. "Bring on board directors who can make the difference—contacts," he said.



HAYWOOD

Popcru threat to use force to back affirmative action

ARG 6/6/96

(251) 3 (176)

NORMAN JOSEPH
Staff Reporter

THE Police and Prisons Civil Rights Union (Popcru) has given police and prisons managements an ultimatum; to respond to their demands by June 25 or face physical removal of senior officials.

As part of a nationwide protest, more than 3 000 warders and police marched through the streets of Cape Town yesterday.

Popcru's national acting general secretary Rappheheng Mataka called for the implementation of affirmative action in the two services.

Popcru abandoned plans to occupy Cape Town police radio control offices after union leaders spoke to southern areas commissioner Arno Lamber, who will have an urgent meeting with provincial police management tomorrow about the lack of affirmative action.

Popcru spokesman Eddie Johnson handed over a list of demands to national correctional services commissioner Henk Bruin, as well as a copy to provincial Police Minister Gerald Morkel at the provincial offices in Wale Street.

Mr Johnson said the protest was not against the government but against police and prisons managements.

Popcru members agreed after the handover of the demands that they might use force to evict some senior management officials from their offices if the demands were not met by June 25.

Mr Mataka said the march was organised because of the failure

by prisons and police managements "to pay attention to important and sensitive issues affecting employees".

The list of demands include claims that affirmative action agreements were never implemented, and that senior appointments and promotions excluded members of previously disadvantaged groups.

Racism against Popcru members, their unfair dismissals, and racism against the public were also part of the claims in the memorandum.

Mr Mataka said: "We are committed to the smooth transformation of the police and prison services but we expected all role players to honour the agreement reached by the negotiators.

"But the managements have proved to be reluctant in implementing these agreements and we can't allow this.

"We are going to use all avenues available to us to ensure we get treated fairly."

Provincial Correctional Services Commissioner Steven Korabie said he supported Popcru and condemned the Department of Correctional Services for not implementing affirmative action.

Mr Bruin and Mr Morkel refused to comment.

But Western Cape police commissioner Leon Wessels said police management in the province was in line with national policy and was committed to affirmative action.

In keeping with this policy, the Representivity and Equal Opportunity Programme had been

implemented.

So far 16 people had been appointed in terms of this programme.

Policy guidelines on affirmative action and gender equality were being formulated at national level, Commissioner Wessels said.

Appointment and promotion to commissioned rank in the Western Cape over the past eight months had grown 34 percent for officers other than white males.

"Although management at this time is not totally representative of the community it serves, great strides have been made," he said.

Commissioner Wessels said representivity would be extended in the next round of appointments of station commanders and other senior posts.

He said of the 13 131 police in the Western Cape, 53 percent were white, 38,6 percent coloured and 7,17 percent or 946 black.

This explained the lack of blacks in management.

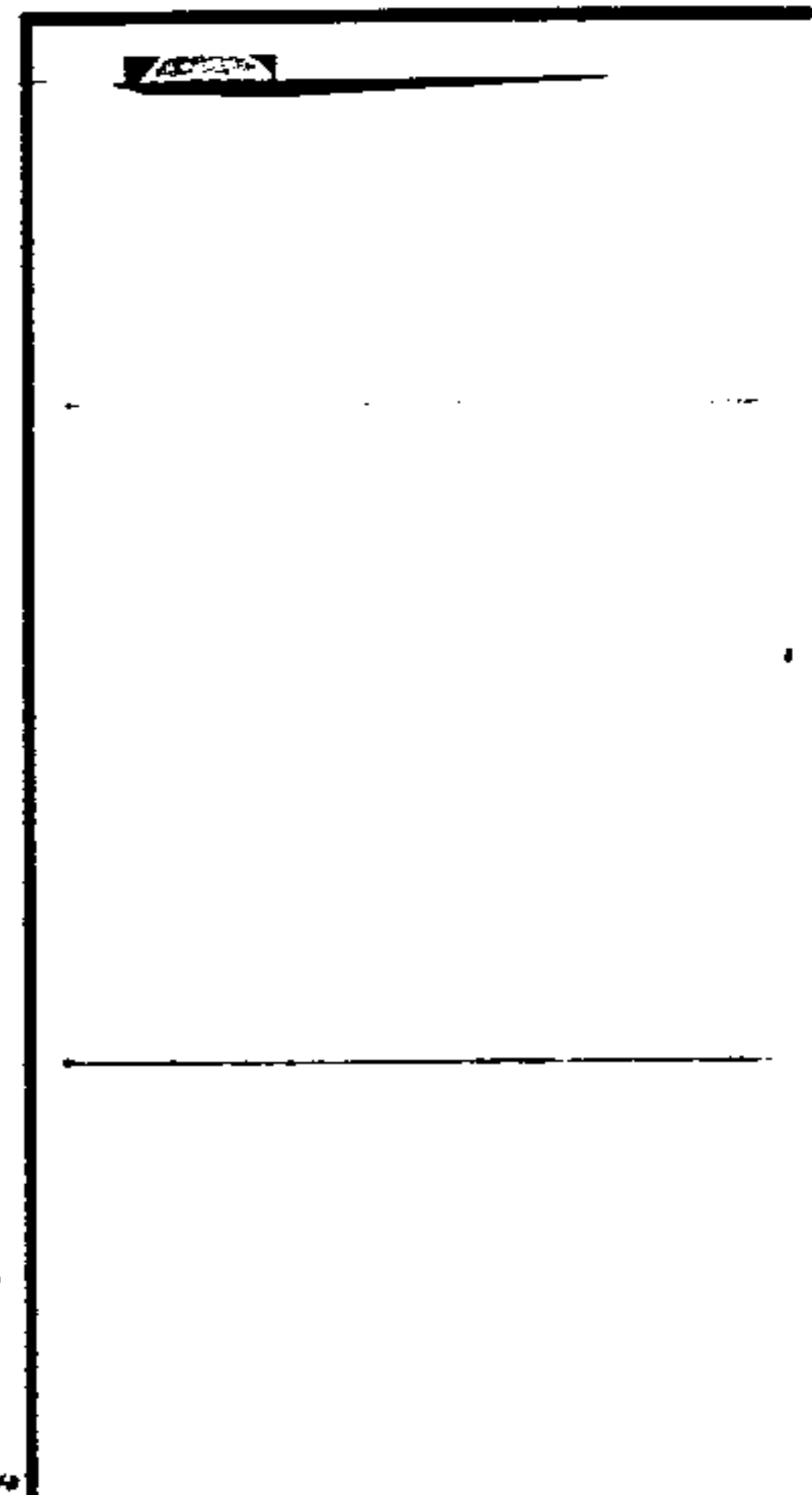
"A programme of affirmative action, in respect of top management, cannot therefore be implemented overnight," Commissioner Wessels said.

He said there was a campaign to recruit Xhosa-speaking police in the Eastern Cape to serve in the Western Cape.

"Management of the SAPS in the Western Cape wishes to assure the community that in spite of frustrations of its members, we regard the addressing of crime as our main goal," Commissioner Wessels said.



FACING DEMANDS: Police yesterday's march by thousands



'Glaring omission' in draft bill team

(176) BD 7/6/96

THE failure by Labour Minister Tito Mboweni to include a representative from business in the team of experts set to draft an affirmative action employment equity bill was a "glaring omission", Webber Wentzel Bowens labour law expert J D Verster said yesterday.

"Employers will be expected to implement the legislation at their cost but will not be involved in preparing the draft Act," he said.

Verster said business would be directly affected by any employ-

ment equity legislation and had a particular interest in the nature and scope of the legislation.

He criticised the fact that no representation had been given to the disabled, "which does not augur well for their protection in future employment equity legislation".

The team would formulate a green paper on the criteria for affirmative action, including the dictates employers would have to comply with in implementing programmes. — Sapa.

ANC attacks firms on affirmative action

Farouk Chothia

BD 10/6/96 (176)

THE ANC lashed out on Saturday at businesses which applied affirmative action only to blacks, saying it should be extended to Indians, coloureds and women.

ANC national MP Ebrahim Ismail Ibrahim said at an election rally in Chatsworth that the ANC's affirmative action policy applied to all disadvantaged groups, and this was reflected in the appointments to the Cabinet and public service. However, companies which supported the NP and DP confined affirmative action to blacks for their own "selfish interests".

ANC secretary-general Cyril Ramaphosa said he agreed with Ebrahim's view, and that it might be necessary to take certain measures to rectify the "distortion" of ANC policy.

ANC national executive committee member and KwaZulu-Natal transport MEC Sibusiso Ndebele said Indians should avoid creating a negative impression among blacks by voting "with racists" in the June 26 elections. He said Zulus faced such a problem among other ethnic groups in SA. The violence perpetrated by the IFP had resulted in Zulus being associated with "savagery". The message that needed to be sent out was that "you can be Zulu and not IFP and that I am Indian but I do not vote racist".

Ramaphosa said it "blows the mind" that there were many Indians who, despite being oppressed under apartheid, had a "love affair" with the NP.

Ndebele said SA Indians should remember the advice once given to them by India's first prime minister Jawaharlal Nehru, that "your future fate and hope lies in SA. You should start identifying yourself with the African majority."

Responding to a call for the death penalty to be reinstated, Ndebele said the ANC opposed this. He said the NP was pulling a "cheap trick" by calling for the death penalty to be reimposed.

Meanwhile Sapa reports Land Affairs Minister Derek Hanekom arrived in Vryheid in northern KwaZulu-Natal on Saturday to address an ANC election rally, but found the venue deserted. After waiting for more than an hour, Hanekom headed back to Gauteng with the parting quip: "This is one fine way to win an election."

Affirmative action laggards are in for a surprise at the end of the year

(76) CT (Car) 10/6/96

THE SPIRA INTERVIEW



By JOHN SPIRA

Affirmative action legislation encompassing time frames and targets is likely to come into being before the end of the year.

That is the word from Pat Molise, the newly appointed head of the Institute of Personnel Management, which has about 9 000 corporate and individual members.

Molise contends that "there is too much complacency out there on the part of employers". Legislation, she believes, "will jack them up".

She says too many companies do not yet see the benefit of implementing affirmative action programmes.

"To them it's a waste of money and time," she says.

Molise feels human resource managers should be the agents of change.

"They should be in the front line. The institute has developed an affirmative action toolkit which we successfully sell to our members — and to anyone else who is interested — to help them understand and implement the programme."

Setting an example, the institute itself has achieved its targets, especially at the lower levels, but not fully at management level.

"My view is that people should rise up from the ranks. I don't like having to look outside the organisation. We have 35 full-time employees.

"It takes time because there hasn't been a programme here for long enough. It is one of my objectives to develop such a programme. I've asked all the managers to identify people in their departments with potential,"

The key to success is to ensure that the process is driven from the top and filtered down

says Molise. But while the institute is doing all it can to promote affirmative action to employers throughout the country, it does not have teeth — hence, says Molise, the need for legislation.

"Affirmative action must come from the heart; employers must understand why they need to implement affirmative action programmes.

"Once they understand and see the benefit, only then will they embrace and accept it. Problem is, it's difficult to change attitudes," she says.

Molise would be "very pleased" if only a quarter of the country's private sector employers fully embrace affirmative action in the next two to three years.

"If we can achieve that 25 per cent, I believe the rest will follow; they will see that it can work." She believes the key to success is to ensure that affirmative action is driven from the top and filtered down.

"The human resources manager must convince the people at the top, who should then determine the direction the business should take.

This is not being done sufficiently at present.

"Some employers understand what it's about and appreciate the need for it. But often they do not have the time to ensure that it happens.

"Some have embraced it, but fail to monitor it and see that it happens. Often affirmative action is not a high priority. Hence there's complacency and procrastination," she says.

Molise sees legislation as comprising quotas or targets.

"Legislation will force employers to meet those targets. If not, they will suffer penalties. I envisage targets being based on the business's demographic markets.

"If, for instance, your market is purely black, the majority of your employees should be black. In any case, it makes business sense, since they have a better understanding of that market.

"Companies would be obliged to formulate a plan consisting of affirmative action targets and the date on which they expect those targets to be achieved.

"In the interim, progress would have to be substantiated. Legislation would act as the

watchdog to see if it is happening; but not as to how it should happen," she says.

Molise concedes there would be many grey areas in such legislation.

For example, criteria such as affordability, the setting of targets and the extent of progress made towards achieving them would in many ways be subjective.

"Yet what really matters is that employers demonstrate a willingness to look at themselves and implement realistic strategies.

"Government will decide whether or not they have gone far enough. Companies that can afford it will not be able to hide behind the excuse that they don't have the money," says Molise.

Does the government have the manpower to monitor such legislation?

"The manpower is there, though perhaps the money to pay that manpower is not.

"There are a great many black university graduates without jobs. And if the country is serious about affirmative action, given that it will benefit the economy, the money has to be found," she says.

The quota system has not worked in the United States. Why should it work here?

Molise believes the issue should be approached positively rather than negatively.

"We have to establish why it hasn't worked in the US and avoid the mistakes, rather than assuming it won't work here. We should devise means of ensuring that it works in South Africa.

"There they marginalised other race groups. The education

process to produce the desired results'

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FIRM IDEAS Pat Molise, the newly appointed head of the Institute of Personnel Management

wasn't what it should have been. They should have stressed that the blacks were not going to take their jobs but that it was an effort to level the playing fields and start on an equal footing.

"In South Africa it cannot be denied that education was unequal, which means that the playing fields are not level; that the white man will almost always

do a better job.

"Given this background, it surely cannot be difficult for white South Africans to appreciate that it is crucial to raise black South Africans to their level of education and training."

Molise believes this is the sort of education that has to take place before affirmative action programmes can be effectively

implemented.

"Whites must understand why it has to happen. That is why I say education of both whites and blacks is so important. It has to be seen as not being imposed.

"Blacks must appreciate that their colour alone does not entitle them to be the boss. Some feel they have to be managers without undergoing any training. They see it as a short cut," she says.

Molise is confident it need not take long for the education process to produce results.

"Companies ought to be identifying potential. Blacks are not stupid; they simply did not have the education and were not given the opportunity. Give them accelerated training and they will do it.

"Employers must rapidly close the gap between formal schooling and the workplace.

"Affirmative action is about investment in training. You can't have an efficient manager if he does not understand what business is all about.

"When a white matriculant comes into a company, he at least has a smattering of business knowledge because he has been exposed to it. He has a rudimentary knowledge of how a business is run; he knows the jargon.

"Employers therefore have an obligation to intensively train prospective black managers to help them understand the basics of business; to feel part and parcel of an alien world."

Molise is convinced that such understanding would go a long way toward avoiding confrontational situations with workers.

For, if black employees are helped to appreciate the harm done to the company, the country and the individual by irresponsible activity, employer-labour confrontations would be much reduced.

A major problem in this context, Molise believes, is that a large number of employees do not care about the country.

"We have still to inculcate a spirit of patriotism. It was taken away from them.

"They never felt part of this country because of the rights they were denied. It's coming back, but there is still a lot of education needed," says Molise.

She says companies which are shortsighted on affirmative action will lose out in the long run because of the skills shortage.

"Bear in mind that while executives, and particularly the English, can easily just up and go.

"So if we don't develop skills here for the indigenous people of the country to close the gap, we'll be left with no economy and no future. We must always remember that there could be a huge brain drain," she says.

Born in South Africa, Molise studied at the University of Lesotho, where she obtained a BCom degree in accounting.

She then won a scholarship to North West Missouri State University, which culminated in an MBA.

On returning to South Africa, she worked for several large organisations, primarily in financial positions. She left as corporate development manager at Old Mutual to join IPM.

*16. Dr W A ODENDAAL—Health: † [Question standing over.]

SANDE: affirmative action (176)

*17. Mr J A MARAIS asked the Minister of Defence:†

- (1) Whether the South African National Defence Force intends introducing a programme of affirmative action in the SANDF; if so, (a) when and (b) what will the purpose of the programme be;

- (2) whether he will make a statement on the matter?

N912E

The MINISTER OF DEFENCE:

- (1) (a) Yes. The Department of Defence is presently implementing an equal opportunity and affirmative action programme.

(b) The purpose of the affirmative action programme will be on the education, training and development of black officers and non-commissioned officers, service women and previously disadvantaged personnel. There will also be appropriate strategies which will include special education and training courses, career development plans and the re-orientation of the recruitment and promotion systems. In this regard the Minister is establishing a joint work group on affirmative action and equal opportunity within the Department of Defence which will commence its work before the end of June 1996.

The first phase in this process was the creation of a Chief Directorate Equal Opportunity (CDEO), headed by a Major General with appropriate staff. The first incumbent will be Maj Gen A Masondo. This action is in accordance with the White Paper on the Transformation of the Public Service. The CDEO will direct equal opportunities in the SA National Defence Force by serving as a centre of excellence for equal opportunities and human relations and to translate the increased awareness of issues into improved leadership. This will be

done to enhance combat readiness and unit cohesion in the SA National Defence Force.

The CDEO will have three broad functions:

First: Research into the existing application of equal opportunities elsewhere in the world, research in discriminatory practice in the RSA and the SA National Defence Force in particular and the result of any action taken to eliminate discrimination.

Second: Programming and Planning to develop specific programmes to ensure that the SA National Defence Force is truly non-discriminatory, that plans are carried through and that the results are monitored.

Third: Training to support the equal opportunity policy.

A separate investigation into the establishment of a joint SA National Defence Force Equal Opportunity training institution will be conducted in due course.

- (2) Yes. As soon as the Work Group has completed its work, Parliament will be informed.

Provinces: new formula for allocation of money

*18. Mr A H NEL asked the Minister of Finance:†

- (1) Whether his Department has calculated a new formula for the allocation of money to provinces; if so, (a) what is the formula and (b) when will it come into operation;
- (2) whether he will make a statement on the matter?

N914E

The MINISTER OF FINANCE:

- (1) (a) Allocations of funds to Provinces have never been done in terms of a formula, but the Department of Finance has now received the recommendations regarding the allocation of funds to the Provinces in terms of formula as compiled by the Financial and Fiscal Commission, in terms of the provisions of sections 155 and 199

of the interim Constitution. Discussions around the formulas to be used for the 1997/98 financial year were held recently between the Provinces, the Financial and Fiscal Commission, and the Departments of State Expenditure and Finance.

- (b) It is intended to introduce the formula procedure with effect from the 1997/98 financial year once agreement between all parties has been reached.

- (2) In terms of the Government's policy of transparency an announcement in this regard will be made at the appropriate time.

*19. Mr T D LEE—Education:† [Question standing over.]

*20. Mrs T J MALAN—Education:† [Question standing over.]

*21. Dr W A ODENDAAL—Health:† [Question standing over.]

SAA: corporate image

*22. Mr A G MOHAMED asked the Minister for Public Enterprises:†

- (1) Whether South African Airways is currently investigating the possibility of changing its corporate image; if not, why not; if so, what will be the cost of such image change;

- (2) whether she will make a statement on the matter?

N918E

The MINISTER FOR PUBLIC ENTERPRISES:

Transnet Limited furnished the following reply to the hon member's question:

- (1) Yes. It is very difficult to furnish a Rand figure as no finality has been reached on the extent of the change to SAA's corporate identity, if any.

- (2) Yes. When finality has been reached.

MMF: restructuring

*23. Mr A E REEVES asked the Minister of Transport:†

- (1) Whether his Department is currently investigating the possible restructuring of the Multilateral Motor Accident Fund (MMF); if so, what are the relevant details;
- (2) whether such restructuring will bring about an increase in the price of petrol; if so, what are the relevant details;
- (3) whether he will make a statement on the matter?

N919E

The MINISTER OF TRANSPORT:

- (1) Yes, the Department of Transport has recently published a draft White Paper in which it sets out a comprehensive set of proposals for restructuring of the MMF. There are three main areas in which the way the MMF currently operates is problematic.

• Firstly, substantial resources, both financial and human, are utilised in peripheral activity which does not directly benefit the victims.

• Secondly, it discriminates within its current legal framework against certain passengers by placing a limit of R25 000 on their claims.

• Thirdly—and very importantly—it carries a contingent liability for claims incurred, but not settled, of approximately R5 bn.

The key proposals contained in the draft White Paper to address these problems include the following:

Moving to a "No Fault" system of compensation. This will simplify the whole claims process and eliminate legal and other expenses arising from the assessment of blame which currently have the effect of reducing the real benefit received by the accident victim.

The additional cost to the state of moving to a "no-fault" system will be controlled by placing a cap on medical expenses for permanent impairment. The cap will not apply to medical expenses in the initial acute phase of treatment, which is defined as up to 18 months after the accident.

Blacks 'can be leaders in the economy'

David McKay

NEW Black Management Forum MD Hazel Ralefeta believes black managers and business can be at the forefront of the mainstream economy, but she will not tolerate politically correct gestures.

Blacks who are given equity in certain business transactions need to be true partners, not merely non-executive directors on boards, she says.

"They need to be given meaningful roles to play. They need to be given strategic positions in the company where joint ventures and partnerships are formed."

The ability of black business to join the forefront of the economy is not mere wishful

(F76)

BD 13/6/96

thinking for Ralefeta — she believes it will happen.

Ralefeta cites herself as a typical example of how black managers can get ahead as she describes how she worked her way through the corporate world battling prejudice.

"At the first interview I went to after completing my degree I was offered a job and, at the time, jobs were not easy to get and few black people were given opportunities. I thought, given the opportunity, I could make a success out of it," she says, starting out in 1981 as a senior clerk and assuming managerial responsibility by the late 1980s.

Ralefeta was involved in the founding of the Career Woman's Association, a forum

for black professional women who want to share their knowledge and frustrations.

Its objectives include seeing black women occupy more positions of influence, in all sectors of society, Ralefeta says. The association is also advocating strongly a support system which could act as a leverage to raise the profile of woman, she says.

RALEFETA



responsibilities in the Black Management Forum are to head up the group's five divisions and act as a facilitator.

The aims of the forum are to encourage transformation and to procure a need for change in the new corporate SA.

"You cannot force companies to change, you can only inform them of the functions the forum can perform. Un-

less business is receptive, there is nothing we can do," she says.

Ralefeta believes her new position is ideally suited to her talents: "I felt grossly under-utilised at my last place of employment. It was pure stereotyping due to ignorance which led me to be under-utilised. Then, if you were ambitious, it was misconstrued as aggression," she says.

Ralefeta's vision for the new corporate SA is to see black economic empowerment which would accommodate more joint initiatives with whites. "Whites still have the financial resources while blacks have the political capital, and they need to capitalise on that."

Civil servants

dig in their heels

ARL 14/6/96

(250) (176)

A GROUP OF white male civil servants staged a protest in drag yesterday against the inconsistent way in which affirmative action is being applied by the Western Cape government. As one of them said to make their point: "Maybe we should have sex changes that go wrong to double our chances." Political writer CHRIS BATEMAN reports.

population). While there were more women in the civil service (33 486 compared with 21 293 men, excluding teachers) most were below the level of chief clerk.

Meiring said the province was appointing a special programmes officer to the task of making the province more representative of its population.

Pleading for perspective, he said: "Two years ago the staff was 100% white. We had one coloured man and one white woman in senior positions — so we've done wonderfully since then. You can't achieve the right demographic balance overnight and still get the job done."

"Other provinces had adopted the national norm of 70% black, 20% white, 10% percent coloured and 'two or three percent' Indian, with disastrous consequences for efficiency."

"I feel very strongly about retaining standards. Tell those chaps not to be too desperate — within a few months we'll have a policy. Boys please, Rome wasn't built or destroyed in a year — you're the foundation of our organisation and we've the highest appreciation. There's no alternative to merit and hard work," he said.

The protesters' chief, Mr Drummond Kakaza, newly appointed as director organisation, work study, held the identical post in Umtata under successive Transkei regimes.

He said yesterday he had yet to see an official provincial corrective action policy.

What did he think of yesterday's protest?

"What counted was the spirit in which they did it — not at all aggressive. It's their democratic right to express their feelings. We used to do that kind of thing even against them, so if something is oppressive it's their right to demonstrate."

Kakaza said he had experienced no jealousy since being appointed in November last year.

"So far it's going fine, but you never know what they say at home," he added.

Joshua conceded that there were major inconsistencies; adding: "The basic programme hasn't been thrashed out yet in the central labour relations bargaining chamber."

AN inconsistent and "confusing" approach to affirmative action by the Western Cape government is angering hundreds of highly skilled white civil servants, whose uncertainty about their future is forcing them to consider going over to the private sector.

Several senior posts are being selectively advertised for groups other than white, prompting a sharp reaction from skilled and experienced white civil servants who claim this is an infringement of their constitutional rights.

In the adverts the Western Cape boasts that it is an "equal opportunity, affirmative action employer" intent on promoting representativity.

However, the provincial executive committee has still to implement a formal strategy and has "not yet decided that all vacant posts will be advertised in this manner". Finance and Corporate Services MEC Mr Kobus Meiring admitted yesterday.

Yesterday a dozen corporate services staffers objected in hip-swinging, tongue-in-cheek style when their boss, Mr Mervyn Joshua, chief director, corporate services, gave his interpretation of one advert promoting "representativity" for a transport director's post.

Joshua said: "We'll first sift applicants to make sure there are absolutely no blacks, women or disabled people before we even consider white males."

Mr Pierre Beneke, a chief work study officer, said it appeared that "no matter what your performance is — if you're a white male you're disregarded".

"Maybe we should have sex changes that go wrong to double our chances," he added.

Mr Gerald West, a senior work study officer said: "There's a real danger people will quit if Meiring doesn't give a straight answer — all we want is something on paper so that we know where we stand."

Points on affirmative action

WHAT YOU SHOULD KNOW ABOUT AFFIRMATIVE ACTION IN CAPE TOWN:

- The racial population in the metropolitan area is: Coloured (including of Asian origin) 48%, black 29%, white 25%.
- Staff composition is supposed to reflect the regional racial composition of the society that your organisation serves.
- "Equal opportunity" is not a magic wand designed to protect or advance the interests of particular persons, disadvantaged by past discrimination, but to ensure that the competition is fair.
- A person's race, sex, or age is not a merit, and one out of ten people is not a quota.
- The goal is to create a diverse workforce, not to meet a quota.
- Employers are supposed to meet their affirmative action targets through their own affirmative action programmes, with the involvement of all employees.
- Selection is based on merit, but those disadvantaged in the past should be given priority for selection, provided they have the necessary skills.
- Quotas are not targets. They are quotas and what you are given, while targets are what you aim for. Nobody may be fired to further affirmative action.
- A large objective, each department or branch is encouraged to be proactive with one to arrive at targets for that branch.
- These days, only companies or organisations have affirmative action agreements: Cape Town City Council, Eskom, Old Mutual, BP, Shell, Callax, Woolworths, Ernst & Young, and Sereno.

Beneke said he and his colleagues saw conflicting reports. "All the time there are AA (affirmative action) appointments based on colour. According to what norm must posts be advertised and filled? Do we or do we not still have a career in work study or even in government?"

He said his group had "no argument" with affirmative action based on the population make-up of the province — with merit a key factor — but would not be discriminated against because of their sex and skin colour.

Deputy director of personnel analysis, Mr Keith Miller, revealed that in the Western Cape's management echelons 53.8% of staffers are white (23.8% of the province's population is white), 26.92% coloured (57.3% of the population), 2.8% black (17.8% of the population), and 1.92% of staffers were Indian (nine percent of the

Firms must be forced to make affirmative plans

A LAW requiring employers to come up with comprehensive affirmative action plans should be introduced as soon as possible, the Commission says.

Firms with fewer than a set number of employees or less than a set turnover should be exempt from the legislation's requirements.

Employers should be required to draw up employment equity plans which related to race, gender and the employment of disabled people.

ARG 20/6/96
The Department of Labour should have the right to examine these plans and get regular reports from employers on the progress of the scheme.

Affirmative action plans should give a breakdown of relevant demographic groups, list objectives about how to change quantitative and qualitative targets, and show how these will be achieved.

The Commission noted that while affirmative action plans often focused on demographic proportions of the employed, they paid less attention to dis-

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crimination and disadvantage in wages and other conditions of employment. This could be addressed through mechanisms such as job-grading and evaluation.

Affirmative action legislation should not be too punitive or prescriptive.

Rather, public accountability should be used as the main instrument to encourage progress, and companies should be required to publish a summary of their affirmative action status in annual financial reports.

Wages, job creation not always linked

Renee Grawitzky

BD 20/6/96

THE labour market commission acknowledges that although a trade-off exists to some extent between wage and employment levels, it does not follow that unemployment is simply caused by high wages.

This is among the positions adopted by the commission in its deliberations on the elasticity of wages and employment.

Research conducted by the World Bank and Prof Sam Bowles has con-

cluded that wage increases have a negative effect on employment to the extent that in the long term, a 10% increase in real wages has been associated with a 7% decline in employment levels.

The commission points out that these studies measured the average relationships and do not necessarily hold for wages at the lowest level.

The commission says that it is simplistic to conclude that if wages can be lowered, job growth can automatically follow.

Call for legislation on 'employment equity' (17b)

BD 20/6/96

Renee Grawitzky

THE Labour Market Commission has recommended that legislation on "employment equity" or affirmative action be placed before Parliament soon.

The commission's report says the law should rely on targets, not quotas.

The commission recommended that legislation should require employers to formulate comprehensive affirmative action plans and that these should be monitored by a new directorate of equal opportunities within the labour department.

There would be no direct penalties for non-compliance. However, companies' action plans would be assessed when companies put in tenders for government work. The commission said: "Major sanctions and incentives should centre on the extent to which access to government resources is facilitated by the filing of a serious employment equity plan".

Commission co-chairman David Lewis said that proposed legislation would be enabling, not prescriptive.

The commission said that affirmative action policies should be directed at redressing the "labour market manifestations of racial and gender discrimination and discrimination against the disabled".

It questioned whether legislation

along the lines mentioned by Lewis would be effective and said "it will be important for the directorate of equal opportunities to develop a partnership and a sense of common purpose with companies and with institutions".

The commission was of the view that newly established institutions, namely, the directorate of equal opportunities, workplace forums and the Commission for Conciliation, Mediation and Arbitration were potentially powerful enough to play key roles.

The commission said employment equity programmes that "embody a strong internal labour market focus must place considerable emphasis on deracialising the higher ranks of the shop floor", meaning supervisors and skilled technical workers.

Commissioner Niccoli Nattrass, an economist at the University of Cape Town, in a dissenting opinion, agreed that affirmative action could be an important way of addressing labour market discrimination and disadvantage in SA.

However, she objected to the "commission's failure to problematise (sic) race, or to appreciate that the overlap between race and the labour market disadvantage is not exact".

Affirmative action, she argued should ultimately be guided by socio-economic considerations.

Plan requires employers to boost job equity

By James Lamont

(176)

CT (R) 20/6/96

Johannesburg — The labour ministry's labour market commission has recommended that employers be required to formulate comprehensive affirmative action plans and publish progress reports in their annual financial statements.

The commission to investigate the development of a comprehensive labour market policy recommended in its report, released yesterday, that employment laws include corrective measures to resolve the legacy of discriminatory laws and regulations.

"Non-discrimination, or equal opportunity, cannot by itself produce equity in employment in a reasonable time frame," it said.

Affirmative action legislation should be enabling rather than prescriptive and punitive, it said, and should avoid quotas in favour of suggested targets and timeframes.

The black unemployment rate in 1994 was six times the white unemployment rate.

Within each race group, unemployment rates were higher for women than men. Half of all black women who wanted jobs could not find them.

In 1993, blacks were under-represented in the better-paying sectors of the economy, like finance. Just 1,2 percent of employed blacks, 2,7 percent of coloureds and 4,6 percent of Asians were employed in that sector, compared with 11,8 percent of whites. Only 10,4 percent of blacks, 11,7 percent of coloureds and 29,5 percent of Asians were employed as managers or professionals, against 48,5 percent of whites.

The new legislation would require constant appraisal of companies' efforts to become more representative. "Legislation should

require each employer to draw up a plan for the affirmative promotion of employment equity with reference to race, gender and the employment of disabled persons.

"The legislation should give the department of labour the right to examine these plans at its discretion and to require regular reports on progress towards implementation of the plan," it said.

Firms with fewer than a stipulated number of employees and with less than a specified turnover would be exempt from the legislation.

The commission suggested that affirmative action policy should go beyond the demographic proportions of the employed to address discrimination in remuneration. It said public accountability would help this process.

It recommended that companies be required to publish a synopsis of their employment equity status in their annual financial reports and that all applications for state resources be conditional upon the submission of an acceptable employment equity plan.

"Affirmative action plans must present a breakdown of the current status of the relevant demographic groups, a listing of objectives for change including quantitative and qualitative targets, and a clear indication of how this will be achieved," it said.

Plans should cover several years and progress reports should measure the rate of change, not cumulative achievements.

The commission did not recommend the creation of an institution dedicated to policing affirmative action. Instead, the directorate of equal opportunities, workplace forums and the Commission for Conciliation, Mediation and Arbitration would assume this role.

WOMEN, BLACKS GET TOP JUSTICE JOBS

Outcry at affirmative posts

CT 24/6/96

(176)

AFFIRMATIVE action appointments in the Justice Department have sparked off an outcry. **HENRY LUDSKI** reports.

JUSTICE Minister Mr Dullah Omar has appointed city advocate Mr Percy Sonn as the Western Cape's first black deputy attorney-general — part of a controversial first round of affirmative action appointments.

The 16 appointments have sparked off an outcry from white male advocates in particular, who are pushing ahead with industrial court and legal action on the grounds that they were excluded from the process.

However, the appointments were welcomed by the Association of Law Societies director-general Mr André van Vuuren.

Vacancies had led to a backlog in prosecutions and the fact that more staff were being appointed was welcome — if the appointments were representative of South Africa, "they must be welcomed even more", Mr Van Vuuren said.

State attorneys on Friday refused to accept an agreement which the Public Service Association (PSA) brokered with the Justice Department. This sets the scene for a bitter court battle over affirmative action appointments.

State advocates and attorney representatives have been at pains to stress that they are not against



AFFIRMATIVE ACTION: Mr Percy Sonn, the Western Cape's first black deputy attorney-general.

PICTURE: CLIVE SMITH

affirmative action — what they strongly oppose are appointments that have not been made in terms of any clear policy and procedure. This, they say, effectively excludes them from being considered for any vacant posts.

"We wish the successful candidates well, and we welcome Mr Sonn to our department, but we still consider the whole process to have been discriminatory and grossly unfair," said senior state advocate Mr Billy Downer.

Society of State Advocates chairperson Mrs Retha Meintjes said: "We are pleased to see that the appointments promote representivity but the fact that this did not happen within a clear and structured programme is of major

concern to our members.

"As an organisation we are not proceeding with legal action, but we accept that competent white male advocates may feel aggrieved and that they may want to take further steps," said Meintjes.

Omar told the Cape Times: "The appointments were done on merit, but we also wanted to promote representivity."

Responding to the criticism, he said the absence of gender and racial equity in the offices of attorney-generals was "intolerable".

"Every single attorney-general is a white male. No black has ever been an attorney-general in our country ... he's never been allowed to and that is intolerable.

"We need to move towards

changes without persecuting anybody and without driving anybody out of office. We haven't driven out anyone, not in the attorney-general's office or any other office for that matter."

Other appointments include: Ms Shamin Ebrahim, who becomes South Africa's first black woman deputy attorney-general when she takes up the position in Johannesburg next month, and African advocate Mr Silas Ramaite, who takes up the same position in Pretoria.

Mr Gert Engelbrecht, who has been appointed deputy attorney-general in Maritzburg, is partially paralysed as a result of an accident in 1981. His appointment is seen as a demonstration of the department's commitment to promote representivity in its broadest terms.

● Omar has confirmed speculation that salaries of Justice Department employees will go up, but not immediately.

In a statement released last night he said some delays in implementing the salary increases could be expected "owing to the individual nature and technical complexity" of the adjustments.

But he assured staff all increases would be backdated to July 1.

He added that a new salary structure for magistrates had been finalised in consultation with the Minister of Finance and an amount has been allocated for this.

The structure would be discussed at a meeting with the Magistrates' Commission on June 29.

Discrimination not unfair labour practice

Renee Grawitzky

THE Industrial Court has ruled that a company which discriminates on the basis of race to appoint an affirmative action applicant in place of a person from a "privileged group" is not committing an unfair labour practice.

However, its judgment, handed down earlier this month by the court's former president, Adolph Landman, and senior court member Ronnie Roth, was that the company involved — Liberty Life — had committed an unfair labour practice by failing to comply with internal recruitment procedure.

The case was brought by Liberty

Life manager Dion George.

George's representative, Andre Heyns, said his client had applied for a position in human resources after completing a course in the field.

The company's procedure was that it could not advertise externally if a suitable internal applicant was found. The applicant was told he was suitable. However, the company then appointed an external candidate in pursuit of its affirmative action policy.

The court said it was the first time it had to pass judgment on "conflict between the right that no person shall be unfairly discriminated against on the grounds of race or colour and the ap-

lication of a measure designed to achieve adequate protection and advancement of persons ... disadvantaged by unfair discrimination".

The court stressed that the bar on racial discrimination should be weighed against the "unique and stark reality in SA" where "decades of injustice associated with apartheid gave rise to gross socioeconomic inequalities that persist at every level of society".

However, the court cautioned that affirmative action was an interim measure. When society normalised, an employer would no longer be allowed to institute affirmative action as it would then constitute discrimination.

20 25/6/96 (176)

Call for affirmative action structure

Farouk Chothia

BO 25/6/96 (176)
DURBAN — The ANC's KwaZulu-Natal region yesterday called for the formation of a structure to monitor affirmative action in the private sector.

In a memorandum submitted to the Durban regional chamber of business, the ANC said business was implementing "a narrow and inappropriate employment practice" by understanding affirmative action was intended to target only blacks. It was intended to help those whose potential was smothered by apartheid, including Indians, coloureds, women and the disabled.

ANC KwaZulu-Natal secretary Senzo Mchunu, accompanied by national MPs Pravin Gordhan and Mpho Scott, met a business delegation led by chamber human resources committee chairman Menanteau Serfontein to discuss the ANC's concerns.

The ANC said a "contact group" drawn from trade unions, employers, community organisations and state organs had to be established to reach

Continued on Page 2

ANC call

BO 25/6/96 (176)
Continued from Page 1

agreement on affirmative action policy, and would monitor implementation of affirmative action agreements as well as help correct "distortions".

Gordhan said such a group could also be formed at a national level. He believed legislation should be introduced to outlaw discrimination.

The ANC, while canvassing for local government elections, had heard many complaints that companies were refus-

ing to employ Indians and coloureds simply because they wanted blacks.

Mchunu said some firms wrongly and deliberately claimed that they were abiding by government policy.

The ANC memorandum said implementation of affirmative action was not contradictory to the principle of merit being the ultimate criteria for employment. However, there had to be a "tremendous investment" in development of human resources for the merit principle to be upheld. Business had to acknowledge this responsibility.

Serfontein said the chamber would discuss the issue before commenting.

ANC worried by approach to affirmative action in Durban

By John Sherrocks

Durban—The ANC is concerned that the business community in Durban is ignoring Indians and Coloureds when making affirmative action employment decisions and policies.

"Business has been identified as practising a narrow and inappropriate employment practice by understanding that the only intended target group (for affirmative action) are African people," the ANC said in a memorandum delivered to the Durban Chamber of Commerce and Industry yesterday.

An ANC delegation held a closed meeting with the chamber's human resources committee.

Senzo Mchunu, the ANC delegation's spokesman, said the chamber's committee had assured the delegation it would respond after studying the memorandum.

The chamber favoured regular dialogue and the establishment of a contact group, which would

include community and trade union representation. Mchunu said the memorandum had been prompted by concerns within the Indian and coloured communities that the ANC had noted during electioneering.

The memorandum identified Africans, Indians, coloureds, women and the disabled as targets for preferential access to jobs. The ANC said it was "concerned that sections of our society are disturbed by what is intended to be a positive policy to redress imbalances caused by apartheid policies".

The ANC said affirmative action did not contradict the principle of merit, the ultimate criterion for employment.

"This, however, needs to be tempered by a forward-looking assessment of the potential of the applicant for any position. To uphold the principle of merit therefore requires tremendous investment in the development of human resources," the ANC said.

(176) Nov 26/6/96

Industrial Court in landmark ruling on affirmative action

A company which discriminates in making appointments on the basis of race to promote an affirmative action policy is not committing an unfair labour practice, according to a judgment by the Industrial Court.

The case arose after an outside applicant was appointed to the position Liberty Life employee Dion George had applied for after responding to an internal advertisement.

Although the court found that Liberty Life's internal recruitment policy had not been followed, the company had not erred in opting for affirmative action.

A group benefits man-

ager at Liberty Life, George had applied for a job in human resources, after completing a master's degree in that field.

Although he was told he was a suitable candidate, the company advertised externally and appointed a black applicant.

George's legal counsel Andre Heyns said Liberty Life had thought it was acting in the spirit of the new South Africa in opting to make an affirmative action appointment, without realising the appointment contravened its internal hiring policy.

The court warned that affirmative action was only a temporary measure. - Staff Reporter

'Affirmative action vital for equality'

CT(BR) 28/6/96 C17b

By Thabo Leshilo

Johannesburg — Affirmative action, or employment equity, is a powerful mechanism to redress structural and systematic discrimination in workplace practices, Urmila Bhoola, an attorney and constitutional law expert, said yesterday.

Speaking at a Business Report-Southern Life briefing in Johannesburg, Bhoola said affirmative action was imperative to achieve equality in the workplace, particularly for women.

"In looking at affirmative action measures and how they can improve the status of women in the workplace, it must be borne in mind that women are not a homogeneous group, but rather a diversified and heterogeneous group with different race and class interests," Bhoola said.

"These differences imply that the interests of black women and white women will not always coincide," she said.

In weighing applications for



EQUAL RIGHTS Urmila Bhoola

PHOTO: JOHN WOODROOF

Bhoola is a member of the ministerial task team that drafted the Green Paper on employment equity to be published on Monday.

She said the paper would discuss issues relevant to implementing affirmative action in the workplace.

Bhoola said employment equity referred not only to the removal of barriers to the equitable recruitment, hiring, promotion and remuneration of women.

Employment equity also entailed ensuring that all employees were given opportunities for which they are qualified, she said.

Business laws 'need review'

By Thabo Leshilo

Johannesburg — The National African Federated Chamber of Commerce and Industry (Nafcoc) called yesterday for a review of business laws and regulations to ensure they did not hinder business activity.

Douglas Leokana, Nafcoc's national treasurer, said small, medium and micro enterprises (SMMEs) bore the brunt of regulations that curbed economic activity by imposing high entry costs, onerous administrative requirements and created barriers to starting businesses.

Nafcoc wanted a stronger competition policy and flexibility from labour in SMMEs on minimum wages and working conditions.

"We have reservations about the 40 hour week proposed by the labour department," he said.

Leokana also said the government should ensure that at least 50 percent of its contracts were awarded to black SMMEs.

Affirmative action still shunned as 'tokenist'

CT(BR) 1/7/96

By Thabo Leshilo

Johannesburg — Black South Africans, especially those with university qualifications, are shunning affirmative action positions because of the stigma of tokenism, says a new study published at the weekend by the research company Product Development Laboratories (PDL).

Stranger Kgamphe, a director of PDL, said the poor perception of affirmative action was the result of the rush by companies to employ blacks without preparing them for their new positions. The study was

conducted among top companies in the Johannesburg area.

The survey preceded today's publication of the Green Paper on employment equity by Tito Mboweni, the minister of labour. The Green Paper lays the foundation for legislation to eradicate job discrimination and promote the advancement of blacks, women and the disabled at work.

The researchers said that for affirmative action to work, its ideals had to be embraced by companies and all their managers. "If (the) management of an organisation displays a positive attitude towards

(176)
affirmative action, this will destroy the negative attitude by junior staff", said Kgamphe.

Companies should also have mechanisms in place to monitor the progress of affirmative action appointees.

The report suggested that integrating the philosophy of ubuntu/botho in management practices could ease the tensions about affirmative action. Ubuntu (humaneness), they said, encouraged such values as trust, interdependence, communalism, sharing and reciprocity.

"Ubuntu has the potential to

diffuse the current differences between, management and trade unions. It is based on nation-building principles. Affirmative action programmes will not succeed without the ubuntu ingredient," the report said.

It found that 62,5 percent of the companies surveyed knew little about ubuntu while 37,5 percent had little understanding of the concept. "Corporate South Africa must realise that it is in Africa and is of Africa. The use of foreign systems to manage a predominantly African labour force has often resulted in conflicts," said the report.

Adapt or be fined, employers warned

BY JUSTICE MALALA
Political Staff

176

Employers will have to eradicate discrimination in the workplace, according to Government proposals released yesterday.

The proposals establish plans to ensure the hiring, training and promotion of women, black people and disabled people by all employers. These affirmative action plans will be monitored by the Government. Employers may be fined or face other legal action if they fail to implement the plans.

But the Government's proposals on an employment and occupational equity statute released by Labour Minister Tito Mboweni yesterday did not call for any quotas or targets to be met by employers for the implementation of affirmative action policies.

Instead, the document promises to grant incentives to employers who promote the equity laws. The proposals are still to be discussed and refined by stakeholders in the National Economic Development and Labour Council and other concerned parties before they become law.

Unveiling the draft green paper on employment equity yesterday, the Department of Labour's Equal Opportunities Director, Mpho Makwana, said the Government was not proposing any quotas for the filling of posts because "that is to ignore the material conditions on the ground."

"We want the forces in the workplace to agree that we want such a target by such a year, then we will monitor them on that

► ... To Page 2

Adapt or be fined, employers warned

► From Page 1

basis," he said, adding that the negotiation of such targets would be done in workplace forums.

Mboweni said: "I must make it clear that this is not reverse discrimination, but a vision that is aimed at ensuring that discrimination does not remain a permanent feature of our society."

"We are not blowing the whistle for anyone to start packing for Perth. That is not the intention. We are, however, blowing the whistle for the need to change to begin."

The document says the measures to accelerate hiring, promotion and training will be directed at black people, women and people with disabilities.

Talks on the proposals will define how much to "differentiate within these groups to meet specific needs" and how to ensure accelerated measures for designated groups without re-installing an oppressive classification system" it adds.

The Government has proposed that employers keep an organisational audit to give information on employment, pay and benefits in major categories by race, gender and disability, and to show programmes and policies on human resources development, including levels of expenditure and certification within these groups.

The document says employers should develop plans according to a timetable to minimise barriers against people from historically disadvantaged groups and accelerate their hiring, training and promotion.

It also says that as far as possible "Government action will favour employers who promote employment equity".

Incentives include consideration for tenders for government and parastatal contracts, and direct or indirect subsidies like training grants and investment incentives from the Department of Trade and Industry.

The labour department will develop "substantially stricter penalties" for repeated non-compliance.

The document proposes a prohibition on harassment, in line with constitutional protections against discrimination. It also prohibits employers from "using recruitment and selection methods and criteria that discriminate unfairly".

There is no affirmative action legislation in place at the moment and Mboweni said the initiative "goes to the very core of the transformation of the workplace".

The denial of equal employment opportunities was an "outright violation of human rights", he said.

Affirmative action plan lauded

By Christo Volschenk

ECONOMICS EDITOR

Cape Town — The Green Paper on employment and occupational equity released yesterday by Tito Mboweni, the minister of labour, drew an early positive response from business and labour.

Both camps lauded it as a "reasonable and balanced approach" to the emotional issue of affirmative action.

But the model for affirmative action proposed in the Green Paper is a much tamer and more flexible approach than the one proposed by the Black Management Forum (BMF), labour experts said.

The Green Paper proposes that every employer be compelled to have a comprehensive affirmative action plan for the accelerated hiring, training and promotion of black people, women and the disabled.

The plan must also include goals and timetables for implementation, it says.

A few hours after the release of the Green Paper, neither business nor labour was in a position to comment in depth on the government's proposed model for affirmative action.

Business South Africa (BSA) and the Afrikaanse Handelsinstituut (AHI) said they were quite happy with the general direction taken.

The Federation of South African Labour specifically welcomed the fact that quotas have

been rejected.

Bokkie Botha of BSA said there were no surprises in the Green Paper and a spokesman of the AHI said the fact that penalties for non-compliance have been dropped was encouraging.

Both camps promised to respond comprehensively in the coming weeks.

The one organisation that may have most reason to distance itself from the Green Paper, the BMF, could not be reached for comment yesterday.

The BMF, for instance, insists on quotas while the Green Paper specifically rejects quotas.

In a previous position paper on affirmative action, the BMF said "experience has proven that voluntary targets and quotas do not work — they should be enforced by law".

Some resistance to the Green Paper must thus be expected from the BMF.

The Green Paper also does not propose to penalise non-performers or slow performers with big fines.

While the BMF model is primarily aimed at rectifying past injustices at the white-collar level of middle and senior management, the Green Paper model has a wider perspective aiming to assist all levels of employment.

The BMF wants 30 percent of non-executive directors and 20 percent of executive directors

of companies in the company register to be black by the year 2000 — and not only for companies listed on the stock exchange.

The Green Paper merely suggests that employers report regularly on progress made.

In other respects, the Green Paper model seems to be less directive and prescriptive, and better at balancing the interests of the employer and employee.

The Green Paper model identifies the end goal and then gently nudges employers in the direction of that goal — to be reached by employees more or less in their own time and along routes they choose for themselves.

"At this stage the need for affirmative action to rectify the wrongs of the past is not in dispute any longer. The only issue up for debate is how best to tackle the problem," said Botha.

The model contained in the Green Paper is not government policy but a starting point for discussion.

"We look forward to the debate," said Bokkie Botha.

A lot is at stake for business and the debate on the most appropriate affirmative action model for South Africa will no doubt drag on for months and become emotional at times.

**Considerable
resistance
is expected
from the Black
Management
Forum**

Govt targets to speed up affirmative action

THE SETTING of specific targets for the employment of blacks and women, and punitive measures for companies failing to comply were proposed in the government's Green Paper released yesterday. Political Writer **HENRY LUDSKI** reports.



THE drive to increase employment of blacks and women, with "negotiated targets" was given impetus yesterday with the release of the government's new proposals to speed up affirmative action.

The proposals make provision for inspectors to monitor the performance of employers in implementing an affirmative action policy. They also recommend punitive action be taken against companies that fail to comply.

The director-general of Labour, Mr Siphso Pityana, warned against tokenism and racial chauvinism saying the diversity of South Africa's population should be represented in the workplace, in both the public and private sector.

"There has to be recognition of the skills and capabilities that people have acquired through many years of working at various places.

"They have to be accredited for those skills, they have to be given further training so they can move up the ranks."

Once a company had set its targets, it should train people to fill those positions. Tokenism was just as bad as discrimination as it would amount to "replacing one discriminatory practice with another".

Without training "you'll be putting a bunch of incompetent and inefficient people where there is no hope in hell of them being able to do the job, just because they are black or women," Pityana said.

The long-awaited Employment and Occupational Equity Green Paper proposes sweeping changes to existing employment practices and defines the way in which people from disadvantaged communities can gain entry into the labour market and move up through the ranks.

The paper steers away from the controversial policy of affirmative action quotas but places a heavy emphasis on the sub-

mission of regular "organisational audits" for approval by the Minister of Labour.

Besides providing incentives for companies who comply with the proposed new policy, the department would also "explore administrative and legal sanctions for non-compliance, including the imposition of fines.

"It will also develop substantially stricter penalties for cases where a pattern of non-compliance can be discerned."

Employers in some categories will have to submit employment equity plans for the approval of the Minister of Labour while smaller companies may be required to submit plans on request.

"Large and strategically placed or persistently unrepresentative employers will also be required to implement employment equity processes more rigorously and report on them in greater detail."

The Green Paper process, to which people and interest groups can still make inputs, will lead to legislation later this year to promote affirmative action particularly of blacks, women and the disabled.

Affirmative action is a potentially politically explosive issue for the government, particularly among coloured and white people in the Western Cape where African people are in the minority.

Labour Minister Mr Tito Mboweni said the eradication of all forms of discrimination in the labour market was one of the fundamental objectives of the government.

"It is demanded by the constitution and is an integral part of the processes that help achieve justice in South Africa."

The proposals, developed by the Labour Department's Directorate of Equal Opportunities in consultation with labour and business, focuses on the eradication of unfair discrimination of any kind in hiring, promotion, training, pay, benefits and

(176) CJ 2/7/96
Guide to new job policy

AFFIRMATIVE action proposals as outlined by the Department of Labour include:

- A ban on employment discrimination of any kind.

- Employers to provide regular employment information to the department.

- Large companies to submit employment equity plans to the Labour Minister for approval.

- Affirmative action to be monitored by the Department of Labour inspectorate.

- Incentives include subsidies and awarding of state contracts.

- Sanctions include fines and forfeiting of state contracts.

- Physical infrastructure to accommodate disabled people.

- More flexible working hours and explicit support for cultural diversity in the workplace.

- A review of grading structures to remove unnecessary hierarchies.

- An emphasis on skills rather than educational requirements.

- A ban on discriminatory recruitment, selection methods and advertising that does not reach all possible candidates.

retrenchments.

It also sets out measures to encourage employers to transform their organisations, to remove unjustified barriers to employment and to speed up the training and promotion of people from historically disadvantaged groups.

It states that employment equity itself "does not provide a panacea for all the evils or past discriminatory policies". Its success would depend on how it would help enhance overall social and economic equity in ways that would support productivity, democracy and diversity.

Commenting on the situation in the Western Cape where there is a widely-held perception that affirmative action policies have tended to discriminate against coloured people, Pityana said that an effective employment policy had to take these factors into account.

"If employers disqualify coloured people from the benefits of affirmative action, they will be discriminating against them in terms of the proposals which we have outlined.

"There must be pro-

grammes to address the under representation of these groups in society in the labour market," he said.

Pityana said the main thrust of the Green Paper was to promote diversity. "South African society is a diverse society and that diversity must manifest in the workplace."

Affirmative action would invariably lead to some people being affected adversely. "It would be nice to say that it not going to work like that, but the fact of the matter is that it will," Pityana said.

Employment equity must be seen in the framework of a new human resources strategy where there is greater investment in training, he said.

Managing your rainbow staff

(176) Rowetian 3/7/96

By Isaac Moledi

MANAGING the diversity created by affirmative action is going to pose the biggest challenge to South African corporate organisations in the future.

In its latest edition, the Institute of Personnel Management's (IPM) publication, *People Dynamics*, says although affirmative action programmes, particularly in the United States of America, have attempted to redress the imbalances of the past, on their own such programmes were not very successful.

"Of more importance now in South Africa is the management of diversity created by affirmative action."

By diversity the IPM is referring to the racial, gender, cultural and religious mix of people brought into the corporation as a result of affirmative action programmes.

Junior officers

The publication argues that many South African organisations leave the task of managing diversity to junior "affirmative action officers" who enjoy neither credibility nor organisational support.

Added to this is the fact that few organisations apply strategic management processes that adequately address all the issues related to affirmative

action or the management of diversity.

For diversity to be properly managed, it must form part of an organisation's strategic management process. It must also have the support of top management and be managed by a highly qualified and respected person who holds a senior position in the company.

Organisational culture

Peoples Dynamics adds that accepting the challenges of diversity implies changing organisational culture, reconceptualising leadership styles, restructuring organisations and developing management and staff to work and advance in organisations that are very different from what they used to be.

The publication recognises the role that other stakeholders, particularly the trade unions, have to play in effective management of diversity.

"Unfortunately, in South Africa, the concept of diversity is equated with racial differences, ignoring the fact that it is a holistic term which also embraces gender, values, religious persuasion, sexual preferences, language, education and wealth."

The domination within corporate culture of a eurocentric male ethos and the fear and opposition which many whites still have against affirmative action is the major challenge of future organisational change.

'Fine balance' for affirmative action

Tebello Radebe

MPHO MOKWANA, equal opportunities director at the Ministry of Labour, has strongly defended the right of the government to propose strict penalties and fines against companies that will not comply with affirmative action laws, despite recommendations by the recent Labour Market Commission report.

"We cannot have laws for the sake of having them, without being able to enforce them. In fact, even the commission calls for a process of auditing progress on affirmative action plans — which is a form of enforcement," he said.

This follows Labour Minister Tito Mboweni's announcement of far-reaching proposals in the Green Paper on employment equity this week.

Mokwana said: "What we envisage is a fine balance between forms of sanctions and incentives to encourage the advancement of employment equity."

The commission, appointed last year by Mboweni to draw up recommendations on the restructuring of the labour market, proposed that "legislation should not be overly prescriptive or punitive".

The commission said public accountability should be a major instrument for encouraging progress on affirmative action. Companies

should be required to publish accounts of this progress in their annual reports.

Proposals for action that may be taken include withholding government business when tenders and contracts are awarded, as well as barring non-compliant companies from obtaining planned training subsidies or tax incentives from the Department of Trade and Industry.

Mokwana added that the Green Paper does not in any way propose drawing up "draconian" laws to coerce anyone. "That is why, for instance, we are not looking at suggestions of quotas for how many people should be employed.

"This does not mean we will create

legislation that does not have any teeth and will exist on paper only."

He emphasised that the thrust of the Labour Department strategy is to bring the various parties together to agree on what needs to be done.

However, he conceded that concerns about the possible lack of capacity by the government to monitor the effective implementation of the laws are valid. "We envisage an incremental approach to the implementation of the laws. It will be the first time that we shall have to implement statutes of this magnitude and complexity and there are no readily available benchmarks to work from.

"What we hope to do is to bring about a situation where the various

parties will become empowered to play the monitoring role, while the government gives the overall direction and guidance," he said.

Mokwana did not elaborate on who these monitors are likely to be. The Green Paper itself only refers to "private organisations" that would fulfil this function with the Directorate of Equal Opportunities in the lead, assisted by the Commission for Conciliation, Mediation and Arbitration and the Workplace Forums.

Included in some of the provisions of the proposed legislation is the need for companies to draw up "qualitative and not quantitative" affirmative action plans running for a number of years in conjunction with Workplace Forums, where such bodies exist. The results of these plans are to be shown in companies' annual reports and the Labour Ministry will have the right to examine these at random.

MTG (Bm) 5-11/7/96 (176)

Workers, not state, to monitor affirmative action

By JEAN LE MAY

There is no likelihood that Labour Department inspectors will lurk around business offices to make sure that affirmative action laws are being observed.

Mpho Makwama, head of the department's equal opportunities directorate in Pretoria, has given this assurance to the *Saturday Star*.

Monitoring in each company would be done by the workplace forums made up of workers and management representatives, mooted in a green paper published recently, he said.

The idea behind the green paper was that by a certain date, possibly 1999, the distribution of workers in every company should be roughly in line with

the demography of each region.

The green paper stresses that professional competence must be a consideration in making the adjustments, along with adequate training facilities.

Makwama did not see any problems with forum monitoring because, if the recommendations in the green paper became law, companies' employment policies would be negotiated with their workplace forums.

Two-part

In this way, members of the forums would have been part of the process from the beginning, he said.

The directorate envisaged a two-part operation.

In the first part, forms would

(17b) star 6/7/96
be filled in by every company in the country "so that we can see who is doing what, where".

Members of each workplace forum would be involved in filling in the forms.

The second part would be the gathering and collation of a huge volume of information as part of a national audit of employment practices, Makwama said. The directorate was still in the process of deciding the best way of going about this.

Much would depend on the degree of sophistication of the database that was selected.

It was possible that Central Statistical Service computers could be used to collate data.

Department of Inland Revenue computers could also be roped in when it came to compil-

ing information about income and expenditure.

The required information was quantitative - to ensure that affirmative action was taking place - and qualitative - to find out what companies were doing about hiring, firing and re-trenching, he said.

Interference

Janet Dickman of the South African Chamber of Business's research department said companies had expressed concern about interference by "big brother" in their affairs.

However, since most companies had agreed to negotiated employment policies, problems could be resolved after all-round consultation.

'Affirmative spies' in offices ruled out

■ Officials of the labour department will not pry around business offices to find out if affirmative action is taking place, says Equal Opportunities director Mpho Makwama.

JEAN LE MAY
Staff Reporter

ARG 6/7/96

(176)
beginning, he said.

THERE is no likelihood that inspectors from the Department of Labour will lurk around business offices to make sure that affirmative action laws were being observed.

Mpho Makwama, head of the department's Equal Opportunities Directorate in Pretoria, has given this assurance to SATURDAY Argus.

However, monitoring in each company would be done by the workplace forums of workers and management which were suggested in the Green Paper published recently, he said.

The idea behind the Green Paper is that by a certain date, possibly 1999, the distribution of workers in each company must be roughly in line with the demography of each region.

For instance, employment in a Western Cape company would have to be about 17 percent black, 23 percent white and 59 percent coloured, based on current population figures.

The Green Paper stresses that professional competence must be a consideration in making the adjustments, together with adequate training facilities.

Mr Makwama did not see any problems with forum monitoring because, if the recommendations in the Green Paper are ever made law, the entire employment policy of the company concerned will be negotiated with the forum.

In this way members of the forum will have been part of the process from the

Mr Makwama said that the directorate envisaged a two-part operation, in which the first part would be the collection of forms filled in by every company in the country, "so that we can see who is doing what, where".

Members of the forum would be involved in filling in the forms, he said.

The second part would be the gathering of a huge volume of information as part of a national "audit", he said.

The directorate was still in the process of deciding the best way of going about this. Much would depend on the degree of sophistication of the selected data base, said Mr Makwama. There was a possibility that computers of the Central Statistical Services would be used, as well as those of the Department of Inland Revenue when it came to information about income and expenditure.

The required information was quantitative, to ensure that affirmative action was taking place, and qualitative, to find out what companies were doing about hiring, firing and retrenching, he said.

Janet Dickman of the research department of the South African Chamber of Business said that companies had expressed their concern about possible interference by "Big Brother" officials in their affairs, but added that since most companies had agreed to negotiated employment policies the problems could be resolved after all-round consultation with everybody concerned.

Black bosses angry that quotas won't be enforced

ST(BT) 7/7/96

(176) (108)

THE lack of imposed quotas and targets in the Employment and Occupational Equity Green Paper is a blow for black business groups which have lobbied for quotas in legislation.

The paper, released this week, opts for negotiated targets and quotas and employment equity plans within various businesses and provides for incentives for those that do so.

Tax and training incentives and government contracts are on offer for companies which implement employment equity plans.

The approach was welcomed by the SA Chamber of Business, but it was slated by the Black Management Forum for its lack of "clear cut" affirmative action policies.

Hazel Ralefeta, managing director of BMF, says the organisation is "totally unhappy and dissatisfied" with the proposals.

"Affirmative action has been deliberately omitted to appease white business. If it eventually becomes law, the status of blacks will not improve in any way — in fact they will be in a worse situation," Ralefeta says.

Janet Dickman, labour

By THABO KOBOKOANE

affairs and social policies manager at Sacob, welcomed the decision to move away from rigid targets, but raised concern at the extent to which the government will "interfere" and at the nature of obligations being imposed on business.

Mpho Makwana, director of the Department of Labour's directorate of equal opportunities, which drafted the proposals, says the green paper provides for an "enabling environment" for business and stakeholders.

"The shortcoming of legislated quotas is that we would have to revise the statute regularly if targets were not in line," Makwana says.

The proposals, aimed at redressing social and economic inequalities, ban unfair discrimination of any kind in hiring, promotion, training, pay, benefits and retrenchments. They encourage employers to undertake organisational transformation and accelerate training and promotion of individuals from disadvantaged groups.



ENABLING: Mpho Makwana of the Department of Labour
Picture: HERBERT MABUZA

However, larger employers will have to submit employment equity plans to the Minister of Labour for "approval". Smaller firms will have to do so if requested by employees and other stakeholders or to gain certification to gain government subsidies or tendering rights.

Makwana says employers will have to conduct internal audits and negotiate employment equity measures with employees, in

line with the Labour Relations Act requirement for workplace forums.

Further, he says employers will have to comply with negotiated targets and timetables.

"The requirements are non-negotiable, but we are flexible on the time frames," Makwana says.

Failure to implement will result in fines and exclusions from government contracts.

Dickman says Sacob is concerned about how the plan will be implemented as it could lead to corruption and undue influence.

The green paper will be discussed by the National Economic Development and Labour Council, after which a Bill will be drafted, submitted to Cabinet for approval and again tabled in Nedlac for negotiation. Makwana says it is likely that the Bill will reach Parliament early next year.

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**FANTASTIC
OPPORTUNITY**

Young director sets the pace

CT(BR)9/7/96 (176)

By Thabo Leshilo

Johannesburg — Seeking to explain how a young person can sometimes display knowledge beyond his years, Africans usually say the person has matured inside. This expression fits Mpho Makwana like a glove.

You cannot speak to Makwana, the labour department's youthful director for equal opportunities, without being impressed by his clarity, commitment and passion.

Makwana, 27, is making his mark by helping to transform South Africa's socio-economic landscape from one of apartheid dehumanisation to one where all people are free to realise their full potential.

He considers the part he played in drafting the government's proposals on employment and occupational equity as a continuation of his struggle for equality.

Makwana assumed his new position on July 17 last year. Before then, he was head of organisational transformation at the Black Management Forum (BMF), the affirmative action lobby group.

While at BMF, he became a consultant to private-sector organisations and government departments on organisational transformation, affirmative action and change management.

Makwana has worked for South African Motor Corporation as a senior human resources and industrial relations practitioner. Before joining Samcor, he worked in personnel administration, training and development, industrial relations and diversity management at the post office.

His commitment to issues of diversity was shaped during the politically turbulent 1980s. Makwana, born in Atteridgeville,



PASSIONATE Mpho Makwana, the director for equal opportunities at the department of labour

PHOTO: JOHN WOODROOF

Pretoria, helped found the Congress of South African Students in the Northern Province while a student at Lebowakgomo, near Pietersburg. He also spent time in detention.

Makwana has a bachelor of administration degree from the University of Zululand, where he served two terms on the SRC. He did his honours degree in public management at the university of Pretoria.

"Valuing diversity in the

workplace is especially important in that it adds value to the qualitative outcome of decisions, promotes competition and ensures people stay longer in organisations," says Makwana.

Many people leave organisations not because of better pay elsewhere, but because they become alienated in their working environment. Big companies have failed to retain staff because they neglected to promote diversity in the workplace, he says.

Targets 'must be set'

Patrick Wadula

(176) MD 9/7/96

THE Black Management Forum's affirmative action blueprint target for 2000 would not be met if the employment and equity green paper released last week was adopted.

Forum MD Hazel Ralefeta said yesterday members were disappointed in the document released by the labour department because there was no mention of targets.

Ralefeta said targets were necessary to measure the progress and the number of blacks being trained in the workplace in a given period. The forum would meet soon to draw up a working document in response to the green paper.

Ralefeta said the forum welcomed the idea of legislating affirmative action, but it still seemed business itself would decide on how affirmative action would be implemented.

It was disappointing that none of the forum's views were considered in the document. "We believe that government would have come out firmer with its guidelines on affirmative action," she said.

STATE WON'T FORCE STAFF CHANGES

How companies should develop all-race management

THE FUTURE FACE of the average South African company, after the impact of affirmative action legislation, has been revealed after a Cape Times survey using a fictitious company, writes **CAROL CAMPBELL**.

BY THE YEAR 2000 most of the management in South African businesses should be black — but the government won't force companies to change.

After guidelines laid down by the government in the Green Paper on affirmative action, and through consultations with business leaders, the Cape Times worked out how much an average South African company would have to change to meet government expectations.

The director of labour for the Western Cape government, Mr Brian Williams, said companies that showed a willingness to promote and develop their black staff (including coloureds and Asians) would be well rewarded.

He hinted at tax breaks, business opportunities facilitated by the government and favourable publicity for those who made the effort to change.

He supported affirmative action target figures laid out by the Black Management Forum (BMF) — which advised companies to undertake a substantial "colour change" of their top management. The government would not legislate affirmative action targets but would "persuade" businesses that it was the economically viable

route for them to follow.

It was also unlikely that companies would be policed to check they were making changes.

"It will be up to the role-players in business, like the trade unions and management, to ensure they are actively trying to change their business."

The graphic with this story shows the racial composition of the fictitious company Acme Trading, and what it should look like in five years.

Using a model they call the "Basotho Hat Formula" the BMF has suggested that at least 20% of all companies directors be black by the turn of the century.

They go further and suggest that 30% of senior executives, 50% of middle management, 70% of junior management (Williams suggested this be 60%) and 80% of general staff be black by 2000.

"Affirmative action has to be flexible so that it does not injure a company's economic sustainability," said Williams. "After all, isn't that the whole point of private enterprise — to maintain profitability?"

BMF executive member Mr Gromck Ndlovu said a company's head office staff should represent the racial demographics of the

country, and their regional offices should reflect the local population.

For instance if a national company had its head office in Cape Town then the majority of the staff should be African, but the majority of staff in the regional office should be coloured.

Black talent could be fully developed if workers were given the power to set their own goals, select their own managers and participate in decision-making.

Because a company's management is chosen from the rank and file it could soon fill posts in senior levels of the business as these managers work their way into top structures.

"To appoint and keep black management the climate in the company has to be right for change. This can be achieved through cross-cultural workshops."

A senior executive of Old Mutual, Ms Judy Gathercole, said the number of blacks employed in senior management positions was not as high as it could be.

About five percent of senior executives, 12% of middle management, 40% of junior management and 52% of general staff levels like clerks and secretaries were black.

"The company has taken steps to increase these figures. "In five years we would like around 10% of senior executives and 20% of middle management to be black."

(176) or 11/9/96

Already between 60 and 70% of all new staff were black.

One of the major problems was a shortage of financial skills needed for jobs at these levels.

Ndlovu commented on this, saying that many black managers believed they were capable of doing these jobs, but were held back because the white bosses did not trust them.

There was also a feeling this "excuse" was used by whites to cling to economic power.

Gathercole said token black appointments at senior level were dangerous because the company had to provide a service to clients by employing the right person for the job — irrespective of colour.

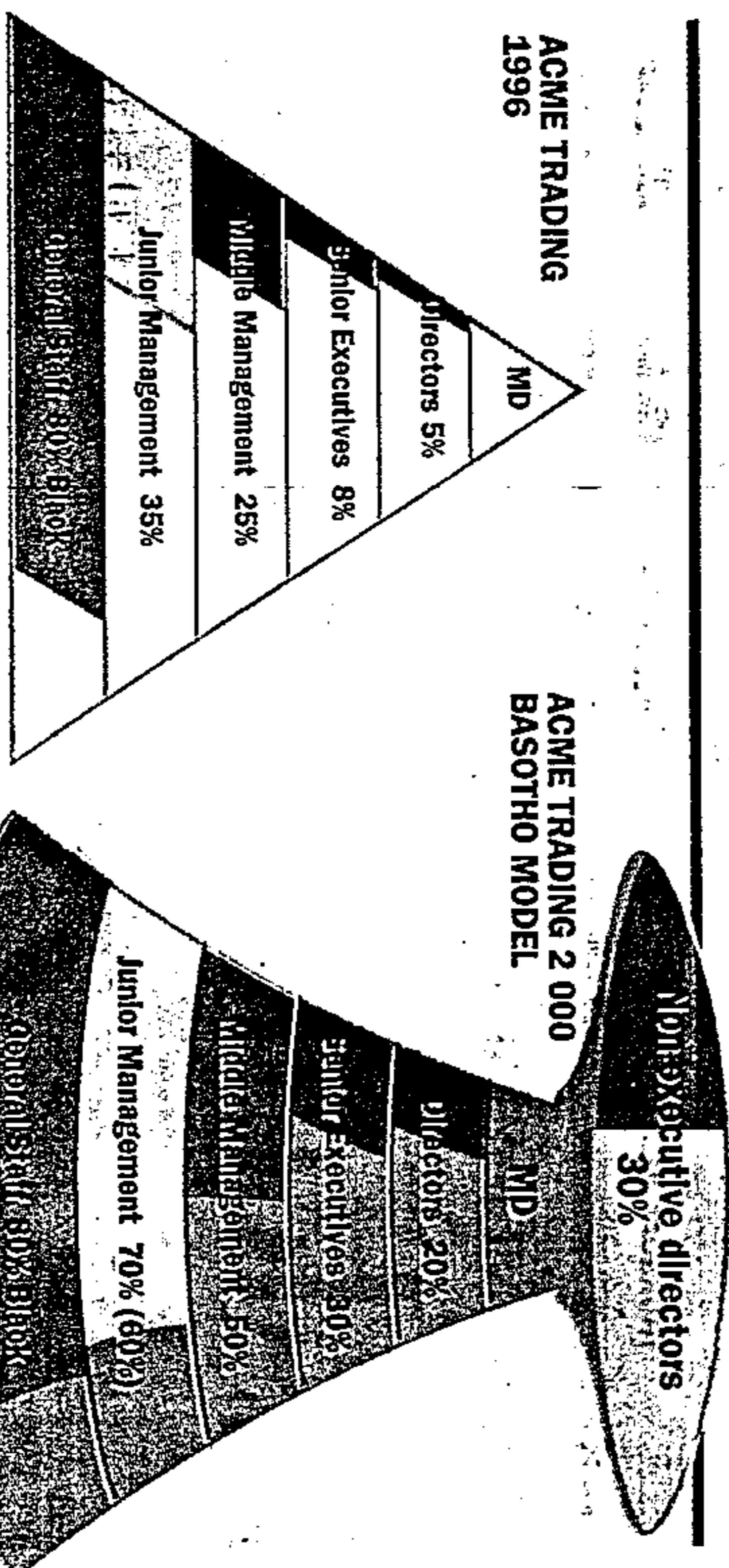
"We would love to employ black actuaries but we just cannot find them. We do encourage high-potential students to train as actuaries but this takes time."

Promising staff were also headhunted by other companies. Eskom spokesman Mr Archie Jacobs said by the year 2000 50% of all management in the company would probably be black.

At present 67% of the general staff, 20% of junior management, 16% of middle management, 23% of senior executives and 37% of directors were black.

Mr Ace Dube, the corporate research manager for Shell South Africa, declined to give the company's affirmative action statistics, but said a committee was revising the company's policy.

PROPOSED TARGETS



*Fictitious company staffed like a typical SA company

Graphic: Matlwa Moss Cape Times

*Fictitious company as it should ideally be staffed in 2000. This Black Management Forum model is also supported by the Western Cape director of Labour - although he suggests target of 60% for junior management.

Black business groups call for race targets

(176) CT(BR) 16/7/96

By Thabo Leshilo

Johannesburg — Leading black professional and business bodies are preparing to challenge the government's draft affirmative action legislation which they regard as inadequate to the needs of black advancement in the workplace.

The Foundation for African Business and Consumer Services (Fabcos) said the proposed Green Paper on employment and occupational equity was "not robust enough" because it did not prescribe quotas and targets.

The National African Federated Chamber of Commerce, (Nafcoc) said it lacked vision. The Black Management Forum said it "borders on the unethical" by enabling companies to continue with inequitable policies.

"The labour ministry should not throw away targets. There should be guidelines for companies in each each sector, otherwise you will have some companies in the same sector being progressive and achieving equity while others don't," said Loyiso Mbabane, the head of the Black Management Forum's transformation division.

He said the forum would demand that the government set targets and non-negotiable timeframes to ensure companies achieve equality rather than leave the issue to collective bargaining.

Kennedy Murire, a director of Product Development Laboratories, which recently completed a research of companies' commitment to affirmative action, said blacks still made up less than 5 percent of the country's managers.

"We want to see certain targets and quotas being set, otherwise companies will continue like they have, having masses of black workers without black managers. Blacks have suffered for a long time. Now is the time for companies to level the playing field," said Murire.

Welcoming the involvement of workers in driving affirmative action, the Black Management Forum felt the lack of access to information about companies'

financial performance made it impossible to effectively co-determine human resource issues.

To illustrate the effectiveness of setting targets, Mbabane said that about 25 percent of companies used the black management forum's "Basotho hat" formula for affirmative action targets, and 70 percent think the targets are "attainable or reasonable".

The guidelines require that by 2000, 30 percent of non-executive directors and 20 percent of executive directors are black.

"The sky is not going to fall down because of targets," Mbabane said. Unlike rigid quotas, targets take note of sectoral differences and are determined only after research.

He also criticised the fact that the incentives proposed in the Green Paper would apply only to companies that sought government contracts. Mashudu Ramano, the general secretary of Nafcoc, said it would demand that targets be set so as to provide benchmarks against which a firms' affirmative action performance could be judged.

"If the government can publish a macro-economic strategy which is so conservative, and which details targets to cut socio-economic spending, I don't see why they can't come up with targets for employment equity goals," Ramano said.

David Moshapalo, the general secretary of Fabcos, also said targets would help companies set affirmative action goals.

Mpho Makwana, the director for equal opportunities at the department of labour, said it was futile to prescribe rigid targets because conditions differed from sector to sector. Such targets might, from time to time, be "out of bounds" with economic growth, thus requiring changes to the law.

Makwana said: "We should have a law which creates an environment for workers and employers to set goals as partners and move collective bargaining away from conflict. The government cannot act in a draconian manner and accelerate conflict in the market place."



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Acoco's president Eldridge Mathebula with Trust Bank's client adviser Greg van der Merwe at the launch of a new loan project yesterday. PIC JOE MOLEFE

Scheme empowers blacks

(176) (10) Sawetans 17/7/96

By Nomfundo Nhlapo and Busisiwe Ntuli

A NEW loan scheme was launched by the African Consumer Council and Trust Bank to create business opportunities for black consumers.

The R2 million project which was launched at the Carlton Hotel yesterday will enable Acoco members to acquire loans of about R4 500 to purchase shares in Acoco Mills and Bakeries.

Joint venture

The company is a joint venture between the Danish government, Pretoria businessman Albert Molohe, and Acoco.

The people who buy shares in the company will form a chain by opening small distribution bureaus.

Membership is acquired for a fee of R2 500 payable to Acoco, an additional R120 for life policy and a R500 investment.

Acoco's president Eldridge Mathebula said the venture would give consumers access to bigger businesses rather than spaza shops.

Buying power

They looked at ways in which consumers' buying power could be used to generate wealth and at the same time benefit consumers.

The application forms will be available in African languages

because black business people will be the target.

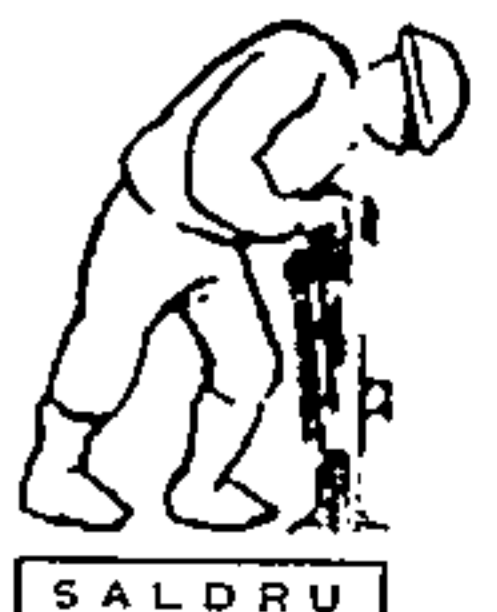
The consumers, Molohe the owner of Garankuwa Bakeries, would provide machinery, buildings and the farms where flour will be produced.

Stake in the economy

"It has always been my dream to see black people have a stake in the economy," said Molohe

The scheme already operates in areas such as Gauteng, KwaZulu-Natal, Free State and Mpumalanga.

About 10 000 members have joined the Acoco but less than 800 people have paid funds which enables the scheme to succeed.



SALDRU

White managers remain in charge

(176) Mar 17/7/96

Affirmative action has had little impact on business's top echelons, says report

SAPA AND STAFF REPORTER

Affirmative action policies have had little impact on the number of white managers employed by South African companies, according to a report published this week.

The fourth annual Affirmative Action Monitor, produced by human resource consultants FSA-Contact, revealed the number of white middle managers had increased by 1,8% over the past four years, while the number of white senior managers had dropped by only 1,3%.

The report also found that less than two-thirds of South African companies targeted the disabled as part of their affirmative action programmes.

The report showed a significant increase – 25% – in the number of companies targeting women for affirmative action since 1994.

Affirmative action policies had not significantly increased the number of blacks in management positions. The past four years had seen a rise of only 0,4% among black senior managers and 0,7% among black middle managers.

The number of white professionals had decreased by 15,3% since 1993 and a further decline of 32,4% was expected over the next three years.

According to Harriet Webster of

the FSA-Contact survey department, the study had revealed a decrease in commitment to affirmative action policies from senior and middle management.

While welcoming the increased attention paid to affirmative action for the disabled, Sheila Cooper, assistant director of the Association for the Disabled, said the improvements were happening too slowly.

"The problem with affirmative action for the disabled is that it involves more than providing opportunities – physical accessibility to places of employment is just as important."

The report noted that companies regarded the implementation of affirmative action as integral to their future survival in South Africa's changing business environment.

This shift in thinking was seen as a "double positive" by Loyiso Mbabane of the Black Management Forum: "Organisations are beginning to realise that affirmative action, or the lack of it, will impact on the survival of South African business as well as its successful performance."

The implementation of affirmative action programmes had not resulted in a massive drop in work standards, as was widely expected by critics of the policy. There was a general satisfaction with the performance of individual affirmative action candidates, said Webster.

Affirmative salaries decline ⁽¹⁷⁶⁾

SALARY packages offered by South African institutions to attract affirmative action employees have declined significantly in recent years, despite a reported increase in the shortage of suitable candidates.

The trend was revealed in the fourth annual *Affirmative Action Monitor* published this week by human resource consultants FSA-

Contact.

This year, there was a significant decline from 1994 levels when the difference between salary packages for affirmative action and non-affirmative action posts reached a maximum of 50 percent, with an average difference of 30 percent.

The average difference this year is about 10 percent, indicating a drop of

about 20 percent from 1994.

The survey revealed a 12 percent increase in the shortage of affirmative action candidates.

Eighty-eight percent of organisations surveyed, experienced shortages in specific areas of their organisations, particularly the manufacturing/technical sectors and information systems. - Sapa.

Sowetan 17/7/96

Still too few black ⁽¹⁷⁶⁾ *sewetan* *17/7/96* managers

AFFIRMATIVE action policies have had little impact on the number of white managers employed by SA companies, according to a report published this week.

The fourth annual Affirmative Action Monitor by human resource consultants FSA-Contact revealed that the number of white middle managers had increased by 1,8 percent over the past four years, while the number of white senior managers had dropped by only 1,3 percent.

Affirmative action policies had not increased the number of blacks in management positions. There was an increase of only 0,4 percent among black senior managers and 0,7 percent among black middle managers in the past four years.

Professional employees

Conversely, the profile of white professional employees declined significantly over this period. The number of white professionals had decreased by 15,3 percent since 1993. A further decline of 32,4 percent in the number of white professionals was anticipated over the next three years.

According to Harriet Webster the study had revealed a decrease in commitment to affirmative action policies from senior and middle management.

"Of more concern is the less-enthusiastic attitude from management experienced by 49 percent of the organisations. This increased by 13 percent from last year's survey and is alarming as this category is instrumental in the successful implementation of affirmative action." - Sapa.

Skin-deep riches

CT(BR)17/7/96

(176) (BR)

Jenny Cargill

Black economic empowerment is one of those buzzwords in the now not-so-new South Africa. Like everything else that is trendy, there is the danger that it will lack depth and durability. The central question is whether it will command sufficient sting to prod the country's economic establishment into making changes that address the disparities in ownership and wealth. Given the trends to date, it would seem that on its own, it won't. The conclusion is that government policy will be key in helping it along.

But what exactly is black economic empowerment? So far it has mainly constituted joint ventures between black and white businesses and transfers of equity in established companies to black shareholders, usually constituted as investment holding companies or consortia of black businesses and groups. In other words, it has focused on the ownership question.

The common complaint about these deals is that they have involved a handful of black companies, and therefore laid themselves open to criticism of black enrichment, rather than empowerment. There is now a first generation of black companies, such as New Africa Investment (Nail), Real Africa Investments (Rail) and Thebe Investments, which have accumulated capacity and experience.

Another concern raised about black empowerment is its emphasis on blackness as the primary asset brought to the table by black business. In most instances, black companies and their executives lack experience and finance. Also, established business has not found much merit in the oft-cited rationale for black partners that they provide special knowledge or access to the black consumer market.

At the end of the day, the finance that can be brought to the table is the crucial leveller of the playing fields in any business relationship. Most black firms just cannot win on this — at least for a while. Therefore, it will probably have to live with the fact that most deals are, and will continue to be for some time, consummated because their blackness is an important requirement to the business at hand.

Blackness and credible political history is probably the most sought after combination as South Africa's corporate sector tries to redress its lack of easy access to the new political establishment.

This kind of approach towards black empowerment provides a good basis for cynicism. But there is a case for arguing that if blackness is to be a deciding factor, so be it. It provides an entry point, with financial institutions and companies

amenable, for a while longer at least, to engineering special financial arrangements. However, on entry, black companies will need to apply themselves meticulously to build up their capacity. If they don't, they will remain in the business backwaters, always dependent on their white counterparts.

In the past two years there have been more than 150 deals, which have been significant enough to be reported in the national media. Clearly there have been many more regional and local initiatives that are not publicly reported. What is most notable about these black empowerment initiatives is the absence of information on their value and how they were financed. Kagiso Trust Investments, the investment arm of the donor agency Kagiso Trust, stands out among the unlisted companies as being most forthcoming with information on its transactions.

Reportage should also improve as more black companies list on the JSE. Two of the largest black companies, Nail and Rail, listed last year and others have signalled their intention to do so over the next two to three years.

Most companies use their private, unlisted status as justification for not revealing information on their financial and other affairs. But they will need to rethink this approach. If South Africa is to develop a vibrant private equity investment market, reportage by companies will need to improve significantly. The establishment of private equity investment funds is new to South Africa. There are two stand-alone funds, which are specifically geared towards supporting black business — US-owned Umbono Investments, listed last year on the JSE, and Capital Enterprise Fund, 50 percent owned by the Commonwealth Development Corporation, 25 percent by Investec Bank and 25 percent by Fedsure.

A recent trend is the sale by the larger, more established black groups — the first generation — of some of their earlier investments. The reasons for doing so vary. In some cases it is to raise funds. In others it is to restructure investments, as the companies become clearer on where and with whom they want to do business.

In the past year, some joint ventures developed sufficiently for the black partner to buy a full share of the operation. Thebe Investments bought out its partner, Persetel Holdings, in Bhekisiswe Computers. Rand Merchant Bank has sold its 24,5 percent stake in financial institution Capital Alliance, founded in 1994, to the consortium led by Mzi Khumalo, which owns 51 percent of Capital Alliance. McCarthy Retail is the other investor.

Among the black holding companies, Thebe Investments is way ahead of others in terms of the number of acquisitions and joint ventures, followed by Rail, Nail and Kagiso Trust Investments. But there is still not much evidence of the large black companies becoming more focused in terms of areas or sectors of activities. With a range of sectors poised for change, with black empowerment being a requirement in many instances, the trend in black business is to scan the environment quite widely for investment opportunities. In telecommunications, state-owned Telkom is poised for partial privatisation and significant expansion of its services, which will not occur in the absence of a black empowerment component. The broadcasting sector, dominated in the past by the state-owned SABC, is going the route of increasing private ownership. But it is the privately owned print media that is sensitive to the black empowerment question and it has come under enormous pressure for its white ownership.

State tender requirements for public works, although not formalised in new legislation, insist on black contractors featuring in bids. Within the fishing industry there is strong political pressure to ensure that white-owned companies no longer monopolise fishing quotas and individual and particularly coloured fisherman get a fair stake. Premier Fishing, Sea Harvest and Oceana have chosen to introduce employee-share ownership schemes — each with their own variations.

The largest empowerment deal is still in the making — and possibly it will be the last on this scale. Anglo American and the National Empowerment Consortium (NEC), which involves both black business and trade unions, are involved in negotiations to transfer a sizeable portion of equity in the industrial holding company of Johnnic, in what could amount to a R4 billion deal. By virtue of being South Africa's largest conglomerate, Anglo is consistently under pressure to make meaningful moves on the black empowerment front.

Once Johnnic is through, JCI is likely to follow, although there is nothing in principle to stop the sequence changing. After this there is unlikely to be a black empowerment issue on this scale again. The NEC experience of trying to bring together a consortium of this kind and size has the makings of a novel and few individuals in the consortium are ever likely to want to live through anything like it again.

□ Jenny Cargill is the director of BusinessMap SA. This is an excerpt from its latest quarterly review

WORK STANDARDS NOT AFFECTED

Affirmative action myths nailed

JOHANNESBURG: When the policy of affirmative action in the workplace was first announced, many people forecast a decline in productivity and standards. These predictions are not borne out by a new survey.

A STUDY on affirmative action in South Africa has dispelled a number of myths surrounding the search for equity in the work place.

Several trends are identified in the fourth annual Affirmative Action Monitor published this week by human resource consultants FSA-Contact.

Salary packages offered to attract affirmative action employees have declined significantly, despite a reported shortage of suitable candidates, according to the survey. And standards have not been affected by the adoption of affirmative action programmes.

This year there has been a significant decline from 1994 levels, when the difference between salary packages for affirmative action and non-affirma-

tive action posts reached a maximum of 50%, with an average difference of 30%. The average difference this year is about 10%.

The survey reveals a 12% increase in the shortage of affirmative action candidates. Some 88% of organisations surveyed experienced shortages, particularly in the manufacturing/technical and information systems sectors.

"Poaching" of affirmative action employees by other companies has declined by six percent to 40%.

Only 12% of organisations surveyed indicated they had experienced a deterioration in quality of work as a result of affirmative action.

Ms Harriet Webster of the FSA-Contact surveys division, said there was

general satisfaction with the performance of individual affirmative action candidates. "A greater proportion of organisations (84%) rated the performance of affirmative action candidates as satisfactory or better, indicating that in general these employees are performing at an acceptable, even superior level," she said.

The study also found that affirmative action policies had had little impact on the number of white managers employed by South African companies. It revealed that the number of white middle managers had increased by 1,8% over the past four years, while the number of white senior managers had dropped by only 1,3%.

Affirmative action policies had not increased the number of blacks in management positions. The past four years had seen a rise of only 0,4% among black senior managers and 0,7% among black middle managers.

Conversely, the profile of white

professional employees had shown a significant decline over the same period. The number of white professionals had decreased by 15,3% since 1993.

A further decline of 32,4% in the number of white professionals was expected over the next three years.

Webster said the study had shown a decrease in commitment to affirmative action policies by senior and middle management.

"Of more concern is the less than enthusiastic attitude from management experienced by 49% of the organisations. This is a 13% increase from last year's survey and is alarming, as this category is instrumental in the successful implementation of affirmative action."

The survey also found that fewer than two-thirds of South African companies target the disabled as part of their affirmative action programmes.

There had, however, been a significant increase in the number of companies targeting women. — Sapa

2017/7/196

(176)

Resistance to affirmative action programmes grows

(176) MD 17/7/96

Susan Russell

SA ORGANISATIONS experienced growing resistance to affirmative action from white employees during the past year. The number of companies with active affirmative action programmes decreased during the same period, according to Johannesburg-based human resource consultants FSA-Contact.

Commitment by chief executives and senior management to affirmative action also declined.

These are some of the findings of FSA-Contact's fourth annual affirmative action survey, which showed that the number of organisations with an affirmative action programme declined from 94% in 1995 to 82% this year.

A third of the organisations with no current programme did not intend implementing one at all, while 22% said they planned to formulate and implement one within the next six months. The other 45% said they intended implementing affirmative action within the next year.

FSA-Contact consultant Harriet Webster said the decline in the numbers this year could be attributed to the fact that more organisations without an affirma-

tive action programme had bothered to respond to the survey because the threat of affirmative action legislation had forced them to pay attention to the issue.

"A significant difference in this year's survey results is that more companies believe that the formulation and implementation of an affirmative action policy is a strategic business decision, integral to their future survival," Webster said.

Webster expressed concern that 49% of organisations canvassed indicated a "less than enthusiastic attitude" from management to affirmative action — a 13% increase from last year's — although she did say this could be due to the increasing resistance from white employees.

She said 71% of respondents compared to 56% last year had experienced problems in implementing affirmative action policies, with just over half of these stating that their staff viewed them as a form of "reverse discrimination".

At the same time affirmative action programmes were found to have had a significant impact on the number of black professionals employed. Their numbers increased by 11,3% between 1993 and 1996 while their white coun-

terparts dropped by 15,3% during the same period.

Despite this, the profile of management employees had not changed significantly over the past four years. Whites still constituted 69,2% of the senior managers and 83% of middle managers.

Shortages of suitable candidates meant that affirmative action employees were still receiving premium pay packages, although the size of these had declined considerably in recent years. There also appeared to be a decline in job hopping among middle and senior management affirmative action employees.

A minority (12%) of companies said they had experienced a drop in standards or deterioration in the quality of work due to attempts at affirmative action.

Commenting on the survey, Black Management Forum organisational transformation head Loyiso Mbabane described the changes as "double positive".

"Not only are companies implementing programmes for the right reason — strategic business decisions — but they are also no longer executing them for the wrong reason, namely threat of government legislation," he said.

Affirmative action salary amounts get 'downsized'

(76) 60 18/7/96

SALARY packages offered by SA institutions to attract affirmative action employees have declined significantly in recent years despite, reportedly, an increasing shortage of suitable candidates.

The trend was disclosed during the fourth annual Affirmative Action Monitor published this week by human resource consultants FSA-Contact.

There was a significant decline this year from 1994 levels, when the difference between salary packages for affirmative action and non-affirmative action posts reached a maximum of 50%, with an average difference of 30%.

The average difference this year is about 10%, indicating a drop of about 20%

since 1994.

The survey showed a 12% increase in the shortage of affirmative action candidates, with 88% of organisations surveyed experiencing shortages in specific sectors, especially manufacturing/technical, and in information systems.

The survey indicated that "poaching" of affirmative action employees by other companies had declined by 6% to 40% in the past year.

It also showed that fewer than two-thirds of SA companies target the disabled as part of their affirmative action programmes.

There had, though, been a significant increase in the number of firms targeting women for affirmative action — an indicated in-

crease of 25% since 1994.

Harriet Webster of FSA-Contact's survey division said it was only in recent years that the disabled and women had been thought of as disadvantaged groups.

While welcoming the increased attention paid to affirmative action for the disabled, disabled association assistant director Sheila Cooper said improvements were happening too slowly. It was not just a matter of offering opportunities.

"Companies implementing affirmative action for the disabled have to ensure that candidates have transportation to reach their place of work, as well as easy access to the building and amenities like the canteen and toilets," Cooper said. — Sapa.

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Speed wobble at Transnet

M+G 19-25/7/96

(176)

Has the government gone too far, too fast in its drive to make Transnet an affirmative action role model?

Mungo Soggot reports

TRANSNET has one of South Africa's most aggressive affirmative action programmes, and deputy managing director Saki Macozoma concedes it is not only hitting the company's "Broederbond" contingent but is affecting morale and performance.

The shake-up at the R16-billion state-owned transport giant, which used to be a bastion of white job reservation, is being spearheaded by Macozoma, a former ANC MP, and five other black executive directors who were all appointed in April this year. Along with chair Louise Tager, they run the company.

But as Macozoma and some of his colleagues have relatively little business experience, the move has sparked criticism in business circles. Some claim that the government has gone too far, too fast in its drive to make Transnet an affirmative action role model.

Macozoma's only business experience is a stretch as business development manager at South African Brew-

eries before taking up his post as chairman of the Parliamentary Committee on Posts, Telecommunications and Broadcasting.

However, he argues that his lack of experience in business does not mean he is unequal to the job. He believes that because his main task is to transform Transnet and rid it of its staid, "Broederbond" culture, his lack of a business grounding is not that crucial.

"There are few managers here in touch with the reality of the transformation that has to take place. People in Transnet make the mistake that they call someone they have never seen inexperienced just because they have been cocooned in an Afrikaans white world.

"But I don't want to underrate their experience ... My view is that I accept my shortcomings and I will find out about, or delegate what I don't know. Management is not about knowing everything."

When Macozoma — who spent five years on Robben Island — arrived at Transnet, the plan was that MD

Anton Moolman would mentor him in the run-up to his retirement. However, Moolman last week announced he will quit early and step down at the end of August. Macozoma, who will take over as MD, dismisses any suggestion of a coup, saying the perception that he and Moolman have had an antagonistic relationship has been overblown.

He says the new team effectively robbed Moolman of his authority, ruling out a clash. "It is precisely because he had no authority that there was no clash. There was no role for him. It was his personal decision to go."

Macozoma says Moolman wanted him and the six others to go on training courses to Harvard and Stanford in the United States. But this was out of the question as the new team had to get on with the job of transforming Transnet.

"There is not much he can mentor me about," Macozoma adds. "He is not about transformation."

Macozoma is not impressed with what he has inherited at Transnet. He complains of widespread inefficiency and numerous cosy deals between Transnet officials and friends and relatives. The company is currently investigating the appointment of a consultancy firm that employed Moolman's son.

Macozoma homes in on the practice of hiring outside consultants at the drop of a hat — a habit which landed the government with a R500-million bill last year. This, he says, has to stop.

The parastatal, which owns Spoornet and South African Airways, has had its staff decimated from 282 000 to 115 000 in the past 15 years, in the process of being "commercialised" from a lumbering state monolith. Last year it recorded its first profit since becoming "commercialised". Macozoma says this year will not be as good, because of a slow-down in economic activity and because of a slump in morale.

Macozoma's list of goals as future MD includes further cuts, the possibility of some sell-offs and management of the parastatal's huge pension fund deficit.

He knows Transnet's affirmative action crusade has to work — "we are aware of its demonstration value" — but he is also mindful of the lack of skilled blacks he can hire and the compromises that have to be made.

The programme has in some instances led to the unusual situation of people being appointed to high posts and



Saki Macozoma: Hands-on managing director in waiting PHOTO: RUTH MOTAU

then sent on management training courses. "I can live with this compromise. We need programmes which give people the skills in the shortest possible time, and during that period we need to give them responsibilities equal to or even greater than their skills. There is a delicate balance between making them tokens and overwhelming them with responsibilities."

He notes that many highly trained black employees have in the past quit Transnet because they found the culture unacceptable.

Transnet's transformation strategy includes giving at least half the value of its contracts with other companies to black enterprises wherever possible. Naturally, says Macozoma, this means at first mainly "soft areas" like catering, law and accountancy. "The companies simply aren't there in fields like engineering."

He believes one of the keys to a successful affirmative action programme is giving employees a goal to work towards. In the past, he says, black trainees remained trainees forever because their trainers refused to help people they saw as competition.

The morale problem among the white employees is not omnipresent, and he believes there are many whites who welcome the changes.

Symptoms of turmoil within the parastatal have leaked out during the

past few months, first with allegations by the South African Harbour and Railway Workers' Union (Sahrwu) that SAA was bugging its phones. Then there was news that some senior officials, including one of the new executive directors, had been misusing their credit cards.

Transnet this week announced it had tightened its controls on company cards. The parastatal's predominantly white union, the Transport Workers' Union, is understood to have been pushing for action to be taken on this.

Macozoma says the company is investigating the bugging claims. Although it is too early to say if there is truth in the allegations, he says the accusation is symptomatic of uneasy relations between management and the unions.

When he was headhunted for the job, his first reaction was: "What do I know about transport?" But after discussions with President Nelson Mandela and Deputy President Thabo Mbeki about whether to take the plunge into the corporate world or remain in politics, he decided it was the right move.

He accepts that at 39 he has put his future "on the block" by taking such a challenging job. But that, he says, is exactly what he has been doing since he joined the ANC at the age of 16.

*Is it a bird?
Is it a plane?*

No, it's some smart aleck with a

AVANTENNA B7

'Last bastion of white privilege'

(176) MTC (Bm) 19-25/7/96

Black empowerment and affirmative action in ad agencies have come under fire for being inadequate, writes Jacquie Golding-Duffy

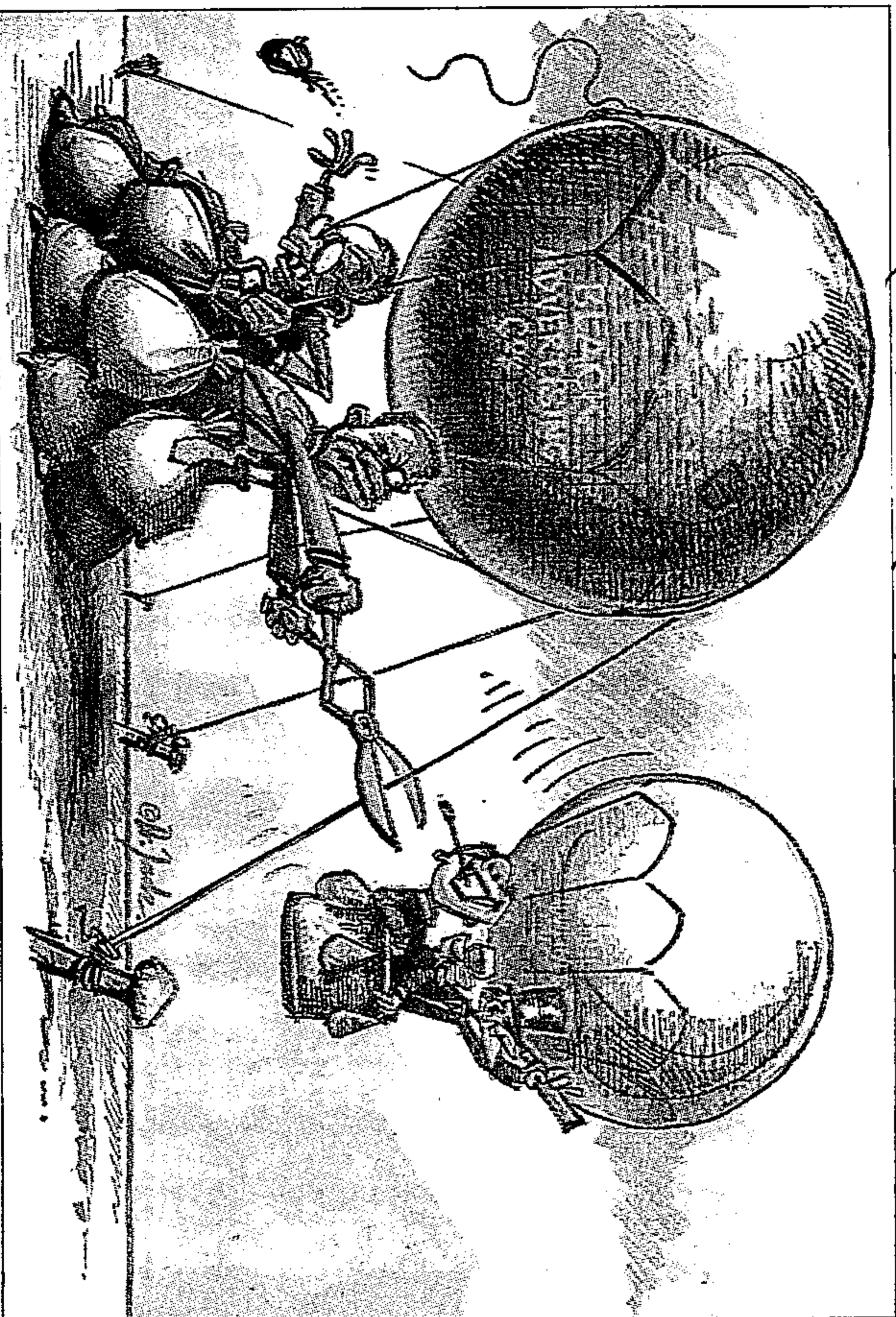


THE R3-billion advertising industry is facing its biggest challenge in the new South Africa — it has to embrace not only affirmative action, but also real black empowerment.

Managing director of Lintas ad agency Lew Slade says black empowerment is happening, but it's not happening fast enough. Although, he adds, it is happening as fast as it possibly can "under the circumstances". The circumstances he refers to include time spent training black candidates and equipping them with the necessary skills to operate efficiently in the industry.

The training cannot be speeded up in a bid to cut corners, argue some advertising agency heads — although others charge that the quality of training is mediocre and a mechanism to keep black people from achieving their "rightful place" on executive boards.

Eurospace managing director Josh Dovey agrees with Slade. The key issue for the industry's affirmative action candidates is training, a time-consuming exercise which involves



representative of the country's demographics. "It makes good business sense to have black creative directors and black people in key

positions with the bulk of the country's demographic. Black empowerment, on the other hand, is fairly non-existent in the industry.

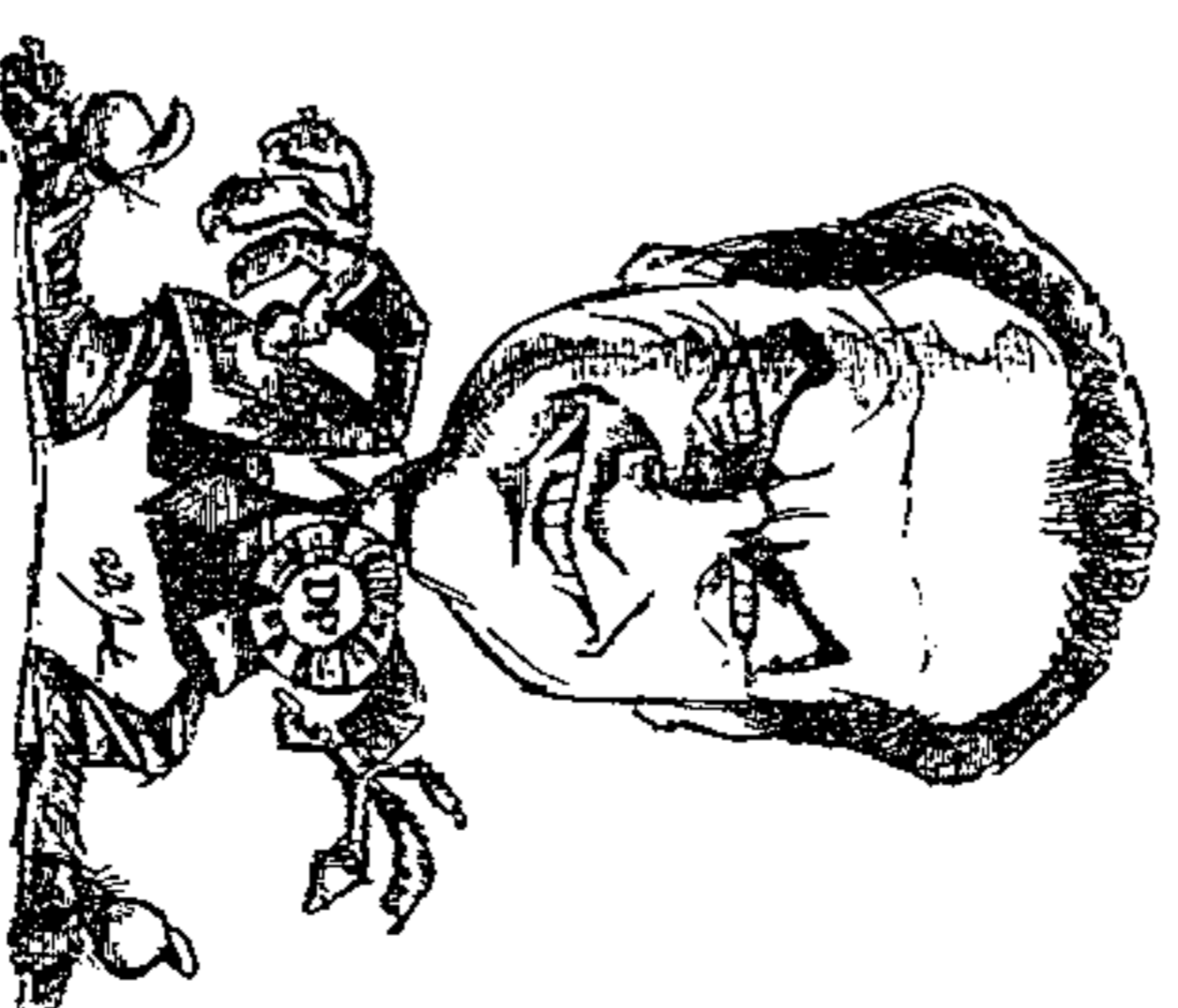
"Black empowerment is a matter of who owns the business and who the industry will ultimately fall apart without the necessary expertise," he says.

He adds that there is no desire by the consortium to convert Saatchi & Saatchi into a black-owned company.

Jacquie Golding-Duffy



MEDIA MAD



Democratic Party leader and MP TONY LEON sees himself in the guise of Jack Nicholson

Which television programmes do you watch most often and why? I watch very little TV, but I do watch the News, which currently resembles a magazine programme rather than hard news.

When I can, I watch *Murder She Wrote* because I enjoy the humour and the twists. I also enjoyed *A Very British Coup* which I thought was a great political drama.

Which book have you recently read that you would recommend? I am reading Peter Arnett's *Life from the Battlefield* — a remarkable odyssey of a reporter from

"With the necessary training, candidates will be able to move through the ranks. For me, it's not so much a question of race as about training and gathering the necessary expertise in order to move up."

Dovey and Slade regard affirmative action training as crucial and they seem to represent the majority sentiment in the industry: moving through the ranks is the most acceptable means of promotion.

Not so, says Dennis Mashabela, managing director of Mashabela Leo Burnett. Mashabela was formerly head of Mashabela Burrows and Company, until Sonnenberg Murphy Leo Burnett formed an alliance with the black agency, integrating it into the Leo Burnett group with an option to buy shares in the group.

"Attitudes have to change," he says. "The advertising industry at the moment is like the last bastion of white privilege. It's pathetic."

Mashabela argues that black candidates find themselves working in a Eurocentric environment where white shareholders and key players have no idea of black culture and, therefore, can neither respect nor accept the creativity which flows from a township upbringing.

"The situation in the industry will regard to black empowerment is a disgrace. Working oneself up through the ranks is difficult if your colleagues are resentful of you," he says. Mashabela says changes within advertising agencies are often "not meaningful" as black candidates are taken into the agency and forgotten. "Often these mainstream agencies think that once they have got a couple of black candidates on to their team, they have done their share of affirmative action. This I find disgusting."

He questions the sincerity of owners who have accepted a need for their ad agencies to be more repre-

consumer market being black," he says.

And, he adds, the promotion of black people in agencies is a bid to secure more government contracts, among other things.

Mashabela also questions the quality of training offered to black students, saying he encounters many frustrated black trainees and ad agency recruits. "These youngsters often feel that agency-owners expect them to be happy with the opportunities provided to them and not to grumble."

"There is a feeling of sit down, look good, but don't ruffle any feathers and definitely don't attempt to change the agency's direction."

Many agency chief executive officers disagree with Mashabela, saying his arguments are "emotional".

'It's not so much a question of race as about training and gathering the necessary expertise in order to move up'

Group managing director of The Media Shop, Dick Reed, says it's unfair to make sweeping statements and generalisations across the industry. He argues that agencies cannot all be painted with same brush, as most welcome new talent.

A lot of training is taking place, he says, but it is his perception that "advertising merit" and neither gender, nor skin colour, is the criterion for succeeding in the industry.

"It's true there are few black directors, but it's still early days in the scheme of things. There is a lot of growth taking place in the industry and the doors are always open for potential black media directors to come through, work hard and show their ability," he says.

Lindsay Smithers-FCB managing director Harry Herber brings up the difference — a clear difference, he says — between affirmative action and real black empowerment. Training falls under the affirmative action recipe, and there's a great deal of it in

has shareholding. In terms of the industry, there is very little empowerment taking place. At our agencies, like others, we recognise the need for black empowerment and are working towards that at a frantic pace."

Lindsay Smithers-FCB is planning to conclude a major deal with a black partner in two months, but details are being kept under wraps.

"Affirmative action and black empowerment go hand-in-hand and can only work if done simultaneously," he says.

Black advertising agency Herdbouys's executive chairman Peter Vundla says black empowerment is not happening at all in the advertising industry. He cites only one example of black empowerment: his agency.

Satchi & Satchi, Klerck and Barret executive director Tso Modise says it was a long haul before he and his partners acquired a 26% stake in Satchi & Satchi. They raised some of the money themselves and borrowed the balance from the agency. Two years down the line, they have met their financial obligations to the company.

They have also ensured the agency is more representative of the country's population by introducing a black creative team, launching an affirmative action recruitment drive and introducing a policy where black personnel replace white staff members when the latter resign, and the staff complement is 60% to 40% in favour of females.

Modise says black candidates should not be placed in positions without being fully equipped to shoulder the responsibilities which the position entails. "If black candidates are put in place just to show up some black faces it is pointless, as

Satchi into a black agency. They are rather interested in it becoming representative of all South Africans.

Hunt Lascaris TBWA group managing director Reg Lascaris says black empowerment is not happening fast enough, but people are being trained as fast as possible.

"There is a fast-tracking course within our agency which aims to arm people with the necessary skills. As long as the fast-tracking is done properly, people will benefit all round."

Lascaris adds that there is a hard push within the industry to have affirmative action in place, but the argument that black people are working in a Eurocentric environment is inaccurate. "Within local and international agencies, whether we are working in a Eurocentric or Afrocentric environment, we all work guided under a set of advertising principles. What is of importance, is that skills are acquired and people work guided under the same principles."

'If black candidates are put in place just to show up some black faces it is pointless'

How much black empowerment is there in the industry? Since advertising agencies are not listed, it is hard to gauge the percentage of black shareholders.

However, one media analyst argues that with a shortage of skills, black directors placed in powerful positions without having come up through the ranks will bring no extra skills to the industry.

Also, the purchasing of stakes in major advertising agencies without the necessary expertise is merely a quick fix and will mean nothing in the long term.

Modise, however, says with the financial help of major advertising firms, real black empowerment can take place and black shareholders can play an important role in ensuring that meaningful changes take place in an industry which is still predominantly white.

Vietnam to Baghdad with several interesting stop-overs in between. I have just completed the biography of Yitzhak Rabin entitled *Warrior for Peace*, written by Robert Slater. A fairly gripping account of an extraordinary life which in so many ways mirrors the state of Israel itself.

Another compelling read which I recently completed while crossing Natal during the election campaign was *Muldiva: White boy in Africa* by Peter Godwin.

Which radio stations do you listen to and why? I catch the *News* on 702 when I am in Johannesburg and I also enjoy the Chris Gibbons report. Otherwise I listen to Radio Highveld and AM-Live on Saffm.

Do you surf the World Wide Web of the Internet? If so, what do you go for in particular? Every morning my secretary down-loads the *New York Times's* facts off the World Wide Web. My staff also get key American pieces of legislation which we can use and adapt for South Africa.

Which is your favourite advertisement and why? I think the new BMW 3-series advert with the aria from *Carmen* is particularly good. It is creative, clever and sends a message.

Which newspapers and magazines do you read? Unfortunately I read them all. Not out of a sense of enjoyment or entertainment, but out of a sense of duty. The ones I most enjoy though are: *Business Day*, the *Sunday Tribune*, *Sunday Independent* and the *Mail & Guardian*. I also subscribe to the *New York Review of Books* and the *Spectator*.

If you could be any film star or fictional character — who would you be and why? My all-time favourite actor to whom I aspire in my wildest fantasies is Jack Nicholson — arched eyebrows and all. He is so cool, evil and clever. He has a certain insouciance which is most admirable.

Penta Publications up for grabs

With Penta Publications under provisional liquidation, the future of its titles is uncertain, writes **Jacquie Golding-Duffy**

PERSKOR has been handed one of the Penta Publication titles as a guarantee for the money owing to it, says Perskor deputy managing director Piet Greyling.

De Kat, one of the most successful titles in the Penta stable, has been ceded to Perskor in lieu of the debt Penta owes it, he says.

Perskor printed the Penta magazines and is claiming a printing and publishing debt in the region of R3,3-million.

Kagiso Trust Investments, the financial arm of Kagiso, which has conducted talks with Perskor for a stake in its company, will "naturally have an interest in any new magazines acquired", says Greyling.

Perskor and Primedia are both in the running for the Penta titles as the stable went into provisional liquidation last week.



Penta magazines will be on the newsstands for the month of August, but for how much longer thereafter?

Greyling says Perskor put in an initial offer to First National Bank, which was temporarily responsible for some of the Penta titles, but after it was declared "hopelessly insolvent", Perskor placed an offer with the liquidator.

"I am merely protecting my own interests and it will be a case of wait-and-see, depending on what the liquidator comes up with," he says.

Primedia Publishing managing director Sandra Gordon says if the deal makes "financial and strategic sense to the Primedia group",

then an offer for selective publications will be pursued.

Primedia's interest in *De Kat* and *Tribune* is largely based on their good track record, brand credibility, circulation and advertising revenue.

Gordon says she is hesitant about *Living Africa* because it has recently changed its distribution pattern. It is now selling on newsstands, and it is believed that *Living Africa* will be distributed free of charge at selected hotels where it will be available as reading material for guests.

Penta's managing director Nicholas Leonsins did not comment at the time of going to press, but was quoted last week as saying that liquidator Phillip Reynolds was negotiating with three parties interested in Penta's assets.

Independent Newspapers Gauteng managing director Deon du Plessis says the group is looking at the Penta publications, but no offer has yet been made. "It is one of a number of things we are looking at," Du Plessis says.

The August issues of all the Penta magazines will be on the shelves, says one editor, and staffers are working until further notice.

MEDIA IN BRIEF

THE Independent Broadcasting Authority (IBA) this week gazetted private radio applications for two MW and one FM frequency in Cape Town and one FM frequency in Durban.

The IBA received five applications for the two Cape Town MW applica-

Arthur Goldstuck WEB FEET

Notes from the Net

NOTHING is so dangerous as being too modern. One is apt to grow old-fashioned quite suddenly. "Who issued that warning to all you cyber-warriors chasing the cutting edge? None other than Oscar

"There is only one thing in the world worse than being talked about" Wilde. You'd know that if you'd spent any time with The Oscar Wilde Quote Generator at <http://www.walrus.com/~jonnony/cgi-bin/quotes.cgi>, also known as Oscarjama. It throws up a new quote every time you call the page, and is one of a growing number of Web sites dedicated to the vital matter of preserving quotations and foisting them upon the Internet community.

The traditional is there, like the granddaddy of them all, Bartlett's Familiar Quotations, at <http://www.columbia.edu/acis/bartley/bartlett/>

The Johnny-quote-latties all curse when they learn that the oldest quotable quotes come from Hesiod, who said things like "Fools! they know not how much half exceeds the whole" back in 720BC.

If you want wit along with wisdom, you would tend to choose something newer, like the Quotation Server at <http://webcom.net/~real/quote/quote.html> From an old Arabian saying, "He promised me earrings, but he only pierced my ears," to a line from an Ed Wood film, "If there is one thing I wouldn't want to be twice — ZOMBIES is both of them!" this covers pretty much all the bases.

tions. Two applications have been received for the Cape Town frequency and three applications for the one FM frequency in Durban. Two applications for Johannesburg frequencies were also gazetted, although the closing date is August 16.

TO date the IBA has not received any complaints or objections to the consortiums bidding for the South African Broadcasting Corporation's six regional radio stations up for sale.

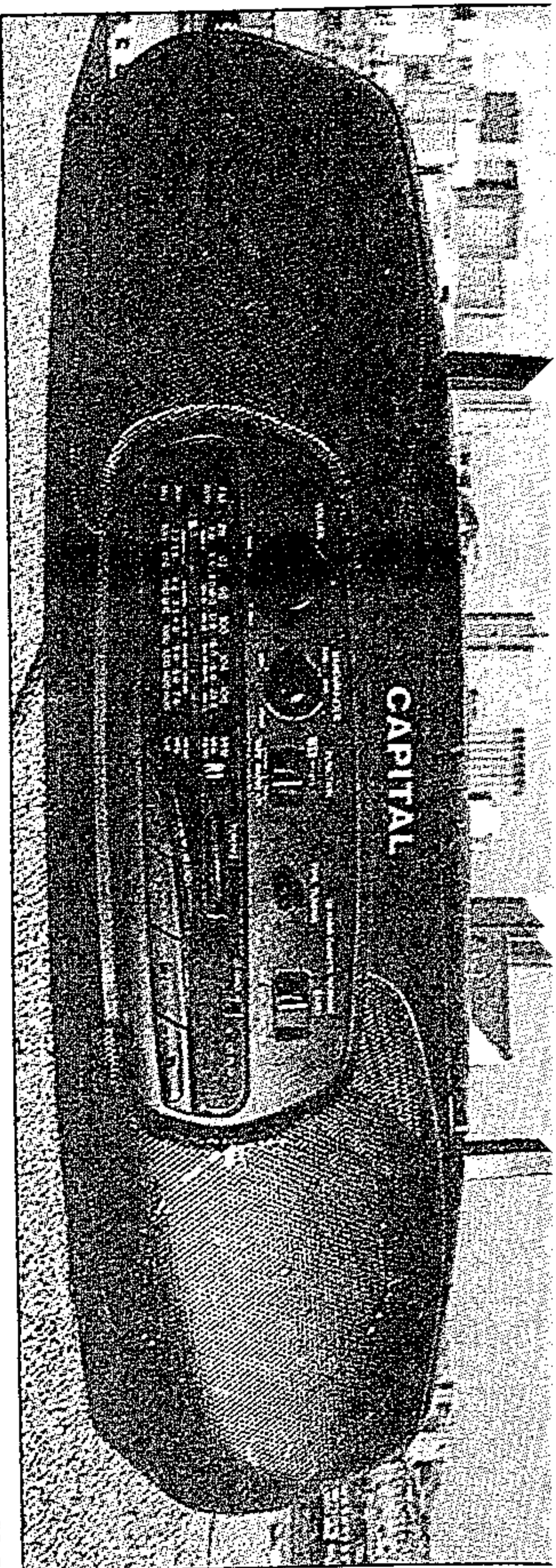
Fourteen applications have been received and were separately gazetted, with Highveld, KFM and East Coast FM appearing one week and Radio Orange, Radio Algoa and Jacaranda appearing the next. The Worldwide Consortium, which had put in an application for KFM in Cape Town, withdrew its application.

SMART FM's review application to the Supreme Court, against the IBA, was struck off the roll this week.

The community radio station claimed the IBA had no valid reasons to refuse the renewal of its broadcasting licence. The court, however, found the station's application was "self-created" and presented in a "sloppy" manner.

RADIO TODAY, the station which granted temporary use of an FM frequency by the IBA because of its poor reception. The frequency allows the radio station to broadcast within the same geographic area as its MW frequency, but allows for clarity and less fuzziness.

Meanwhile, Sentech is working on the community station's MW transmitter in Emmententia.



Not in order: Capital Radio's financial books are in disarray

Capital: Up for sale, but no takers

Jacqueie Golding-Duffy

CAPITAL RADIO, a former homeland broadcaster, is up for sale, but no bids have yet been received as the station's financial books are in disarray.

Investec Bank is handling the bidding process, as it did for the sale of the SABC's six radio stations.

According to sources at the Independent Broadcasting Authority (IBA) and an insider at the Postmaster General's office, Capital Radio's financial records have not been audited for three years and its accounts are not in order.

Until this is rectified, potential buyers are unable to conduct a due diligence procedure which allows the study of the station's books to value the assets for sale.

Capital Radio's worth is unknown because of accumulated debt, among

other things.

IBA representative Amos Vilakazi says the Telecommunications Ministry wanted the sale to be finalised by the end of this month, but, owing to Parliament's early recess, this was not possible.

The ministry is planning to amend the Broadcasting Act, which has to be approved by Cabinet to allow the IBA to grant a licence to the successful bidder before the end of September.

Capital Radio station manager Fred Pearson and Vilakazi confirmed that the government was funding the station until the end of September.

However, they were unsure how much money was being pumped into it, but some estimates are R800 000 for staff salaries and operational costs until the end of September.

A board of directors was responsible for the management of the radio

station and, according to newly appointed managing director Thembeke Ndlovu, "a can of worms has been opened" with regard to the station's auditing.

Ndlovu says the auditing for the 1995 financial year has been completed and work was in progress to complete the financial records for the 1996 financial year.

"My brief is to act as caretaker of the station until such time that it is sold," Ndlovu says, adding that queries regarding the unkept books must be directed to the board of directors.

Herbert Jikele, outgoing managing director and current board member, denied the books were in disarray, saying "everything is in order".

Other board members include Gordon Noda (chair), Al Sigcu and Peter Cressy.

of your own, visit the Random Elizabethan Curse Generator at <http://www.tower.org/disease/insult.html>. Press the "Curse!" button and you are randomly cursed in grand Elizabethan style, with each quote newly compiled from a list of adjectives, adverbs and nouns from that era. You too can go around calling people "Thou unmuzzled ill-breeding rampallion", and watch their faces light up with admiration before they deck you.

An alternative is the Personalized Shakespearean Insult Service at <http://kile.preferred.com/insults/>, where you type in your name, and it says things like "Thou art a fat-kidneyed vain puttock, Arthur!".

Not all of us appreciate the bard, but we all love a genius boy wonder. Now you too can experience The "Wisdom" Of Dan Quayle at <http://www.concentric.net/~salsar/quayle.html>, and relive wonderful lines like "What a waste it is to lose one's mind. Or not to have a mind is being very wasteful."

For many more sites in the same vein, visit Yahoo's quotations directory at <http://www.yahoo.com/Reference/Quotations/>.

● All WebFeet readers are invited to the launch of Arthur Goldstuck's new book, *The Art of Business on the Internet*, along with the 2nd edition of *The Hitchhiker's Guide to the Internet*, at Exclusive Books, Hyde Park Corner, on July 23, 5.30 for 6pm. RSVP is essential, to Pat Lawrence on (011) 789-6462

E-mail comments and suggestions to me at arthur@is.co.za

new s ource .

Electronic Mail & Guardian

<http://www.mg.co.za/mg>

Engen officer tailored jobs to favoured applicants, court told

ANDREW SMITH
Staff Reporter

(176) (176)

ARG 19/7/96

AFFIRMATIVE action favouring blacks at Engen was implemented subjectively, without a manager even bothering to interview all applicants on the shortlist - and job criteria were drawn up afterwards to suit the favoured applicants, the Industrial Court was told yesterday.

This was evidence heard in Cape Town in the dispute between Engen Petroleum and two white former employees, dismissed on affirmative action grounds.

Engen's human resources general manager, Mpumelelo Tshume, spent a third gruelling day under cross-examination on the company's affirmative action policy.

According to the company's restructuring policy, revealed at the hearing, if there was no suitable candidate within the company, an affirmative action appointment could be made from outside. A process of consultation was to be adhered to should an employee's position come under threat.

Earlier the applicants, Lani Martini and Tim Overett, said Engen had ignored their superior qualifications when filling new positions with people from outside the company.

Yesterday, the court heard that the consultative process, in which grievances were meant to be heard and compromises sought in cases of dismissal, was dysfunctional.

Counsel for the applicants argued that Mr Tshume acted

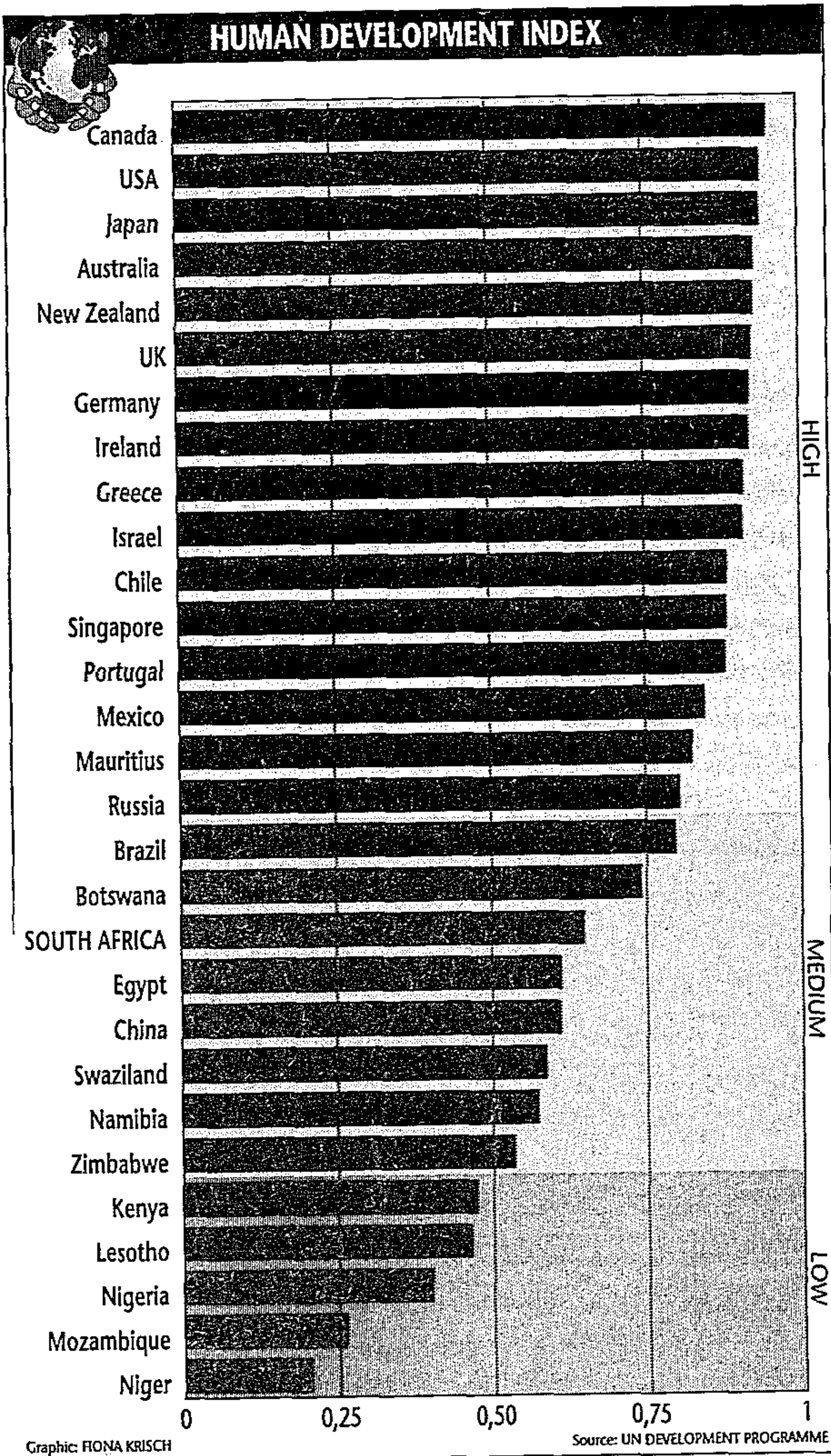
entirely subjectively in appointing people to vacant posts without consulting placement panels. Evidence was heard that Mr Tshume ignored such measures, appointing people to positions first and then drawing up job descriptions to favour them.

"I knew exactly what I was looking for. The job description is just something to be put on the record," he said.

Counsel for the applicants contended that the striking similarities between a certain candidate's curriculum vitae and the job description, finalised after the position was filled, suggested that Mr Tshume had created jobs for individuals.

Mr Tshume argued it was not practical for him to interview the candidates on the shortlist.

The hearing continues today.



Affirmative action shows up differences

(176)
ST (BT) 21/7/96
By ZILLA EFRAT

WHITES are more positive about their working conditions than their skilled black counterparts, says Barbara Macdonald, chief executive of Barbara Macdonald Research, a management consultancy which studies the climate and culture of companies.

"White management often feel that affirmative action programmes are working, but recent studies show this may be only in their heads. This is because the distance between them and the coal face is too great," she says.

Her company recently examined two service companies with affirmative action programmes in place — one employing 600 white-collar workers and the other 2 100. The first is so successful in its field that it has done little on the human resources side while the second has many programmes in place.

Nonetheless, responses to the 60 questions varied widely between blacks and whites in both companies, with whites usually being more positive. For example, 27% of whites and 46% of blacks did not understand company one's affirmative action programme while 6% of whites and 16% of blacks felt that way about company two's.

In company one, 11% of whites and 40% of blacks

believed there was discrimination in their department. (Company two: whites 12%; blacks 22%).

In the first company, 24% of whites and 39% of blacks believed they were not helped to achieve their job ambitions. (Company two: 10% of whites and 19% of blacks).

Macdonald attributes the difference in black and white perceptions to miscommunication, lack of communication and a misunderstanding of what affirmative action placements need.

"Black employees often feel isolated as they are just placed in a foreign environment and expected to perform. Many companies fail to provide them with a real support system. This should not only come from the boss, but also through some form of camaraderie from colleagues.

"While the aspirations of blacks are not really different from whites, many companies do not try and understand how their black workers think and feel and their different cultural backgrounds."

Macdonald says the concerns of whites and blacks are often not addressed when it comes to affirmative action.

AFFIRMATIVE ACTION ON TRIAL

Axed men 'replaced by blacks'

(176) CT 22/7/96

THE INDUSTRIAL COURT is hearing the country's first case of retrenchment allegedly linked to affirmative action. **PETER DENNEHY** reports.

TWO white men in their 40s, who were retrenched and claim they were then replaced by black applicants from outside the company, have launched an Industrial Court application for reinstatement with back pay.

Mr Lani Martiny and Mr Timothy Overett, of Hout Bay and Constantia Meadows, have taken Engen Petroleum Limited to court in the country's first case where affirmative action is being linked to retrenchment.

The men, both of whom have families to support, worked in the company's human resources section until the end of August last year. Martiny was the recruitment manager and Overett a compensation specialist.

During 1995, Engen did a restructuring exercise called Project Discovery, in an effort to ensure the company remained viable in a more deregulated market in the future.

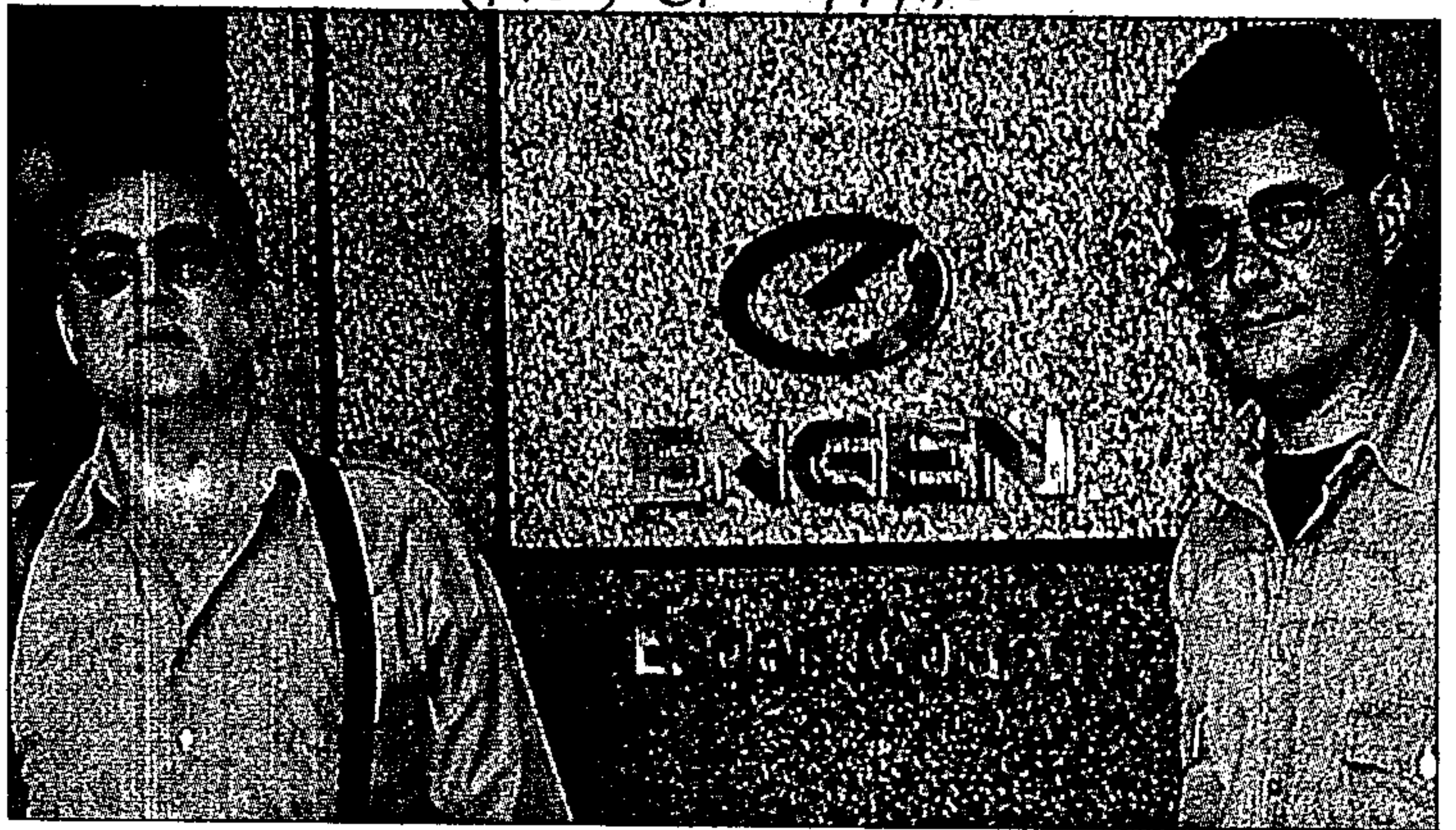
Three hundred and sixty Engen employees were retrenched country-wide. All posts in the new organisation were considered as new posts.

Among the new posts created were "training and development manager", and "manager: compensation, benefits and administration".

Martiny and Overett had hoped to get these or alternative posts when they were retrenched, but they were not granted interviews for them.

However, Mr Mpumelelo Tshume, the human resources director of Engen, said the company's internal "pool" of candidates had been exhausted and "we had to look outside".

Immediately after Martiny and



RETRENCHED: Mr Lani Martiny (left) and Mr Timothy Overett, who say affirmative action has cost them their jobs. They have taken their case to the Industrial Court.

PICTURE: THEMBINKOSI DWAYISA

Overett left, new people were appointed to the Engen human resources department from outside the company. The new appointees had jobs which required them to do "similar" tasks to the ones the two retrenched men used to do.

Engen explored the option of allowing Martiny and Overett to be consultants to the human resources department. The retrenched men went as far as meeting the people in the posts they had wanted — but this option came to nothing.

In its documentation, Engen said it would use Project Discovery's inevitable retrenchment of some staff and the creation of new positions as an opportunity to accelerate its affirmative action plan.

Tshume denies that the men were retrenched in pursuance of affirmative

action, but says that in filling the new posts, affirmative action was one of the considerations.

"It is common knowledge that businesses which do not plan for affirmative action as a business strategy will have major problems in surviving the future," he said.

There had been extensive consultation opportunities for all employees, he said. Many employees had made suggestions that had influenced final decisions. Certain positions had become redundant while new structures were being established and it was unfortunate that both men's positions had become redundant, he said.

Martiny and Overett claim it was unfair, too. Although they each had less than five years of service with Engen, they had both been transferred to Cape Town to fit in with Engen's

earlier requirements.

They now no longer have salaries. After a request by Engen, the hearing has been postponed, provisionally, to September 30.

● The Industrial Court ruled in another case at the end of June that it is not an unfair labour practice to appoint an affirmative action applicant in preference to someone from a "privileged group". But in that particular case, the company involved, Liberty Life, had committed an unfair labour practice by failing to comply with internal recruitment procedures.

The background was that a manager within the company wanted a post in human resources and was initially told he was suitable, but lost the post in the end to an "affirmative action" outsider. In the Liberty Life case there was no related retrenchment.

Former Engen employees challenge affirmative action

Linda Ensor

CAPE TOWN — The implementation of affirmative action policies in SA corporations was under the spotlight last week when oil group Engen was challenged in the Industrial Court by two retrenched employees who argued that they were victims of unfair labour practices.

The case exposed the vulnerabilities of white middle-aged men in middle management, especially in the human resources field, as a result of affirmative action.

It also highlighted the knotty problems companies have to negotiate to restructure their organisations to reflect the new SA.

Engen's former remuneration specialist Tim Overett and recruitment and succession planning manager Lani Martin were retrenched in September last year and sought redress from the Industrial Court.

They were two of 360 people who lost their jobs when Engen restructured itself to become more attuned to the needs of a dereg-

ulated oil industry and of the new SA. In the process black people were appointed as managers.

They claimed their posts had undergone title and cosmetic changes and had been filled by less qualified, internally appointed junior staffers chosen for affirmative action reasons.

The two positions they could have filled were reserved for external, affirmative action appointments, even though they believed they had "superior qualifications".

They said Engen had not followed its policy of extensive consultation with staffers subject to affirmative action dismissals.

They have demanded reinstatement with full back pay.

They have also claimed that one of the posts was filled by an old friend of human resources GM Mpumelelo Tshume. They alleged Tshume had appointed people to positions and only later drew up job descriptions to favour them.

"I knew exactly what I was looking for. The job description is just something to be put on the record," Tshume told the court, in-

sisting that the candidates chosen were more suitable in a "holistic way". He claimed that blacks possessed unique sensitivities due to their disadvantaged backgrounds. Positions such as equal opportunities manager could be awarded only to them.

The case also turns on whether a company can make external affirmative action appointments in preference to internal candidates, if the former are "more suitable".

It pitted the rights of existing employees against a company's need to implement affirmative action policies, Engen's lawyer, Willie Coetzee, said yesterday.

He said the court action differed from the Liberty Life case in which the firm was found to have violated its own internal recruitment procedures by taking on blacks from outside.

In terms of Engen's policy, an external appointment could be made only if there was no suitable candidate within the company to fill the post. However, it has argued that neither Overett and Martiny were suitable.

Kinkel in SA for trade talks

Stephen Laufer

GERMAN Foreign Minister Klaus Kinkel will arrive in Johannesburg today on the second leg of a visit which will focus on SA-German trade and investment and regional co-operation between the Southern African Development Community (SADC) and the European Union.

Kinkel will be accompanied by 20 representatives of small and medium German banks and manufacturers.

"These are not the usual groups like Siemens or BMW, but companies we believe to be particularly relevant to southern Africa," German ambassador Uwe Kaestener said yesterday. They include several automotive component manufacturers, a co-operative bank, a brewery and oil and gas companies.

The parts makers would investigate

direct investment in SA to supply both local and German car manufacturers, Kaestener said. The ongoing negotiations for a free trade agreement between SA and the EU would be an important item for discussion. Kinkel was also interested in discussing a common approach between the SADC and the EU on human rights and the democratisation process in Nigeria.

Relations with the US would also be on the agenda, Kaestener said, pointing out that the EU was not in agreement with US policy on Cuba.

During his two-day stay Kinkel will meet President Nelson Mandela, Foreign Minister Alfred Nzo, IFP leader Mangosuthu Buthelezi and NP leader FW de Klerk. He will also open the Johannesburg branch of the Goethe Cultural Institute, the only one in sub-Saharan Africa.

Handicapped by our own

(24/7/96)
(176)

CT(BR) 24/7/96

Ann Crotty

CONSUMER INDUSTRIES EDITOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Black publications 'should get govt advertising'

THE millions spent by government and parastatals on advertising should be used to develop diversity in SA's media, Black Editors' Forum chairman Thami Mazwai said on Monday.

He was speaking at a joint presentation with the Conference of Editors to the task group on government communications in Johannesburg.

Mazwai said most of

the advertising should go to black publications and media groups implementing affirmative action and black economic empowerment policies.

The central government spent R150m on advertising and the provincial governments and parastatals brought this close to R1bn.

"It goes without saying that black groups must also reflect the

country's demographics at ownership and management levels," he said.

"This strategy has been tried, with success, right here in SA. When TV was introduced and it started eating into the advertising cake, the four major newspaper groups were given a TV licence, now known as M-Net, which is now an international and continental player of note."

(176) BD 24/796
Mazwai said government's selective advertising would ensure major newspaper groups offered stakes to blacks, appointed blacks to senior editorial positions or prepared them for these positions, and programmes were in place to fast-track blacks in the media.

He suggested legislation prohibiting or regulating vertical integration should be introduced to enable free and fair competition.

Mazwai said the local media should not be sold to foreign companies, but should be offered to local black groups.

Legislation should be introduced to "restrict cross-shareholding, interlocking directorships, trade agreements and cartels" between major media groups.

Mazwai said the government should fund or assist financially struggling media organisations owned by Africans, Coloureds or Indians.

Many new black radio stations faced closure if they were not helped, just as community newspapers were struggling.

"However, government must not dictate policy..."

Major groups should not be allowed into radio as small stations would be at risk against "the big boys". — Sapa.

Affirmative action law set to take a while, says Labour Department

ALIDE DASNOIS
Business Editor

(176)

ARG 27/7/96

A DRAFT bill on affirmative action will probably not be tabled in parliament until February or March next year to allow more time for consultation, according to the Department of Labour's Mpho Makwana.

Mr Makwana, Director of Equal Opportunities, said the bill should be ready in October. It would be debated in the National Economic Development and Labour Council (Nedlac) before going before parliament, he said.

The Department's Green Paper, released at the beginning of the month, has been given a chilly reception by lobby groups such as the Black Management

Forum (BMF) which would like a tougher line taken on affirmative action.

But Mr Makwana said yesterday he did not think there were major differences in approach.

"Where they are coming from and where we are coming from is very similar. We both believe in negotiated targets."

He said the Department would hold a series of talks on the Green Paper with the BMF, with business lobbies and with trade unions.

"We would like to see organisations like the BMF play a more meaningful role in this. A strong BMF will give direction to the debate," said Mr Makwana. He expected the process to take "a while".

"We are creating a new policy here. It must be well understood by everyone."

Endangered species fights back in court

By CHARL DE VILLIERS

(176) ST 28 / 7/96

SOUTH AFRICA's white, middle-aged male managers may be given a glimpse into their future in a case being decided before the Industrial Court in Cape Town.

Lani Martiny and Tim Overett, senior managers at Engen who were retrenched in favour of black affirmative-action appointees, are fighting their fate in court.

Ironically, both men were involved in Engen's affirmative-action programme

The two say that while affirmative action may be essential medicine for South Africa's ill-health, it should be administered with a spoonful of sugar.

"Affirmative action, although important in building a stronger nation, does not entitle business to retrench people, disadvantage them, and strip them of their jobs in order to employ previously disadvantaged people from outside of the organisation," they said in papers presented to the court.

Both men were retrenched last August as part of a company restructuring programme named Project Discovery. While one of the project's objec-

tives was affirmative action, it also enabled the company to shed 360 jobs. Martiny and Overett worked for Engen for about five years.

The human resources manager who sacked them, Tuinelelo Tshume, joined Engen last year.

At the time they were retrenched, Martiny was the recruitment and succession planning manager, and Overett a remuneration specialist.

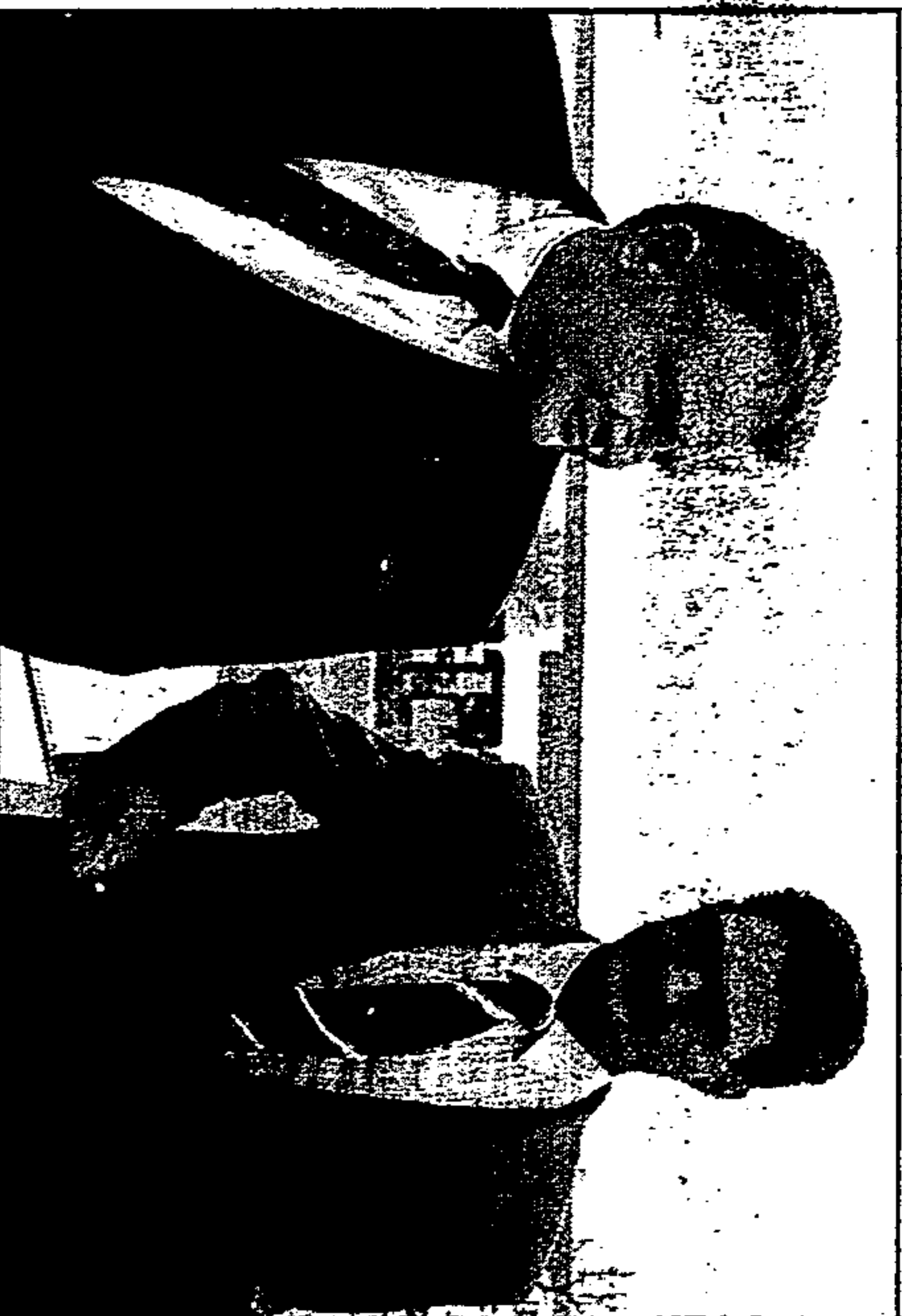
They say Tshume merely went through the motions of consultation, had ignored their claims for consideration and had told them they had been denied job selection interviews.

Tshume told the court he had appointed two blacks to posts for which Martiny and Overett might have been contenders.

He also admitted that he had written job descriptions for the two only after their appointment.

Martiny and Overett are demanding reinstatement and back pay to September 1 last year. They have also asked the court to order Engen to stop its "unfair" selection process.

If successful, their case could force a review of the circumstances in which the 360 Engen staffers were retrenched.



RETRENCHED... Lani Martiny and Tim Overett are taking their dismissal from Engen to the law
Picture: AMBROSE PETERS

Red tape keeps rapist free

By JESSICA BEZUIDENHOUT

A SCHOOL teacher ordered to prison for raping a 10-year-old pupil is still a free man, six months after the Cape Supreme Court rejected his appeal against the jail sentence.

Celestian Constance, 26, is living in his home town of Malmesbury as the Department of Correctional Services has apparently not processed the paper work committing him to seven years in jail.

Testifying before a regional court last year Constance said that, while a teacher at a school in Atlantis, he had developed a relationship with a girl who confided in him about her problems at home.

Constance appealed against his sentence, but on February 23 the Cape Supreme Court upheld the earlier decision.

A Department of Correctional Services spokesman, Mike Green, said Constance was unconditionally released pending the outcome of his appeal after just one week behind bars.

Constance's attorney, who asked not to be named, said a notice of motion to appeal to the appellate division had been lodged with the Supreme Court, but later withdrawn.

"My client should be in prison, but it would appear the final court order has not been processed," he said.

Firms go 'head-hunting' to fill affirmative action posts

(176) CT 30/7/96

HENRY LUDSKI
POLITICAL WRITER

RECRUITMENT consultant Ms Jocelyn Amiss chalked up a personal first recently which has left her and her clients equally chuffed — she placed a black advertising executive in a large city advertising agency.

"It was a first for me and a first for them. They were absolutely delighted," said Amiss.

She is part of a growing multi-million rand niche market which has sprung up around the implementation of affirmative action.

It's an industry where it is not uncommon to hear the term "black scalps" and suppliers being bandied around. And where you could find yourself at the receiving end of recruitment overtures — even if you, a black journalist, are just phoning for comment.

The complexity of affirmative action implementation, and the often costly failures, has led many organisations to make use of outside agencies to facilitate the change process.

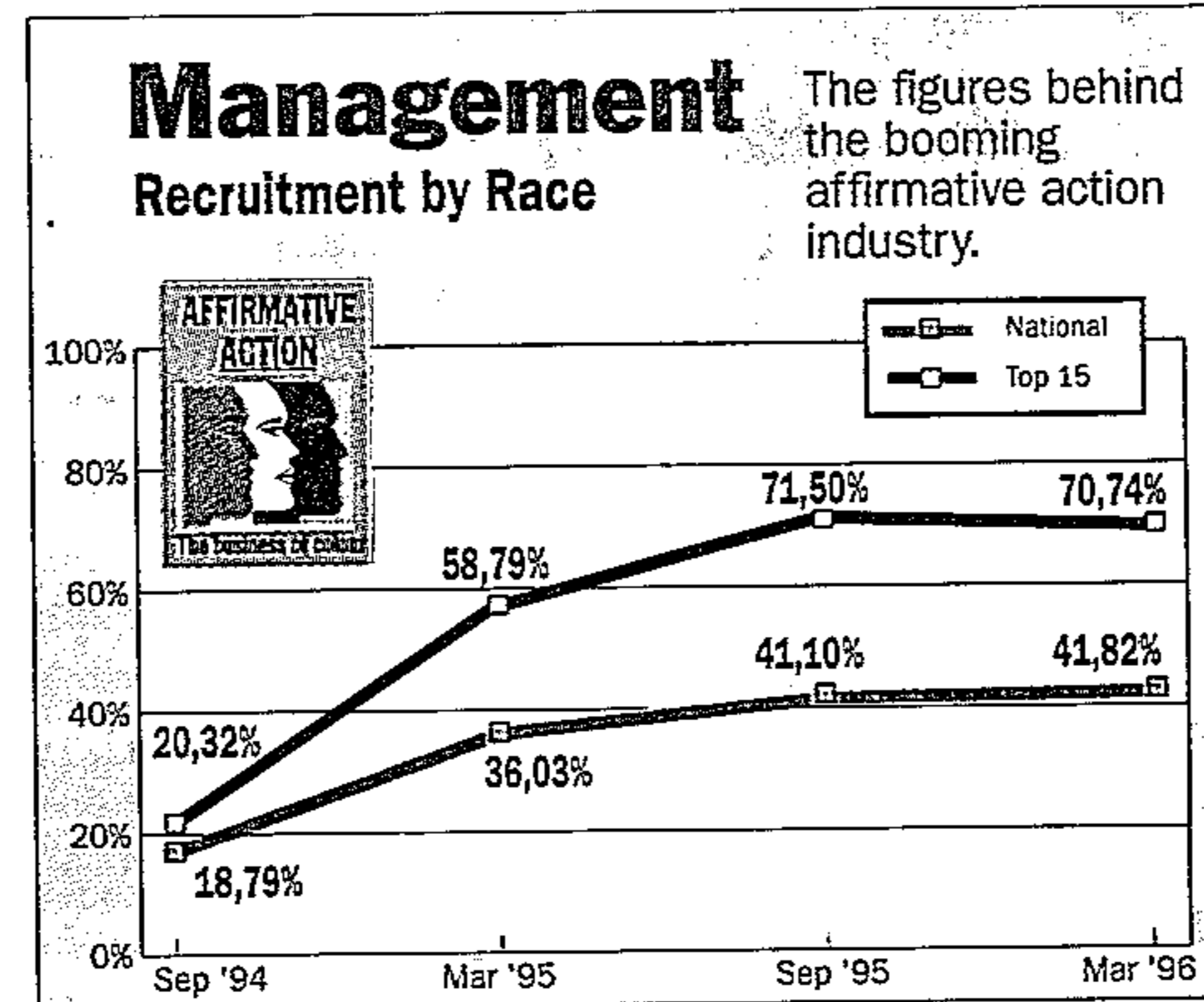
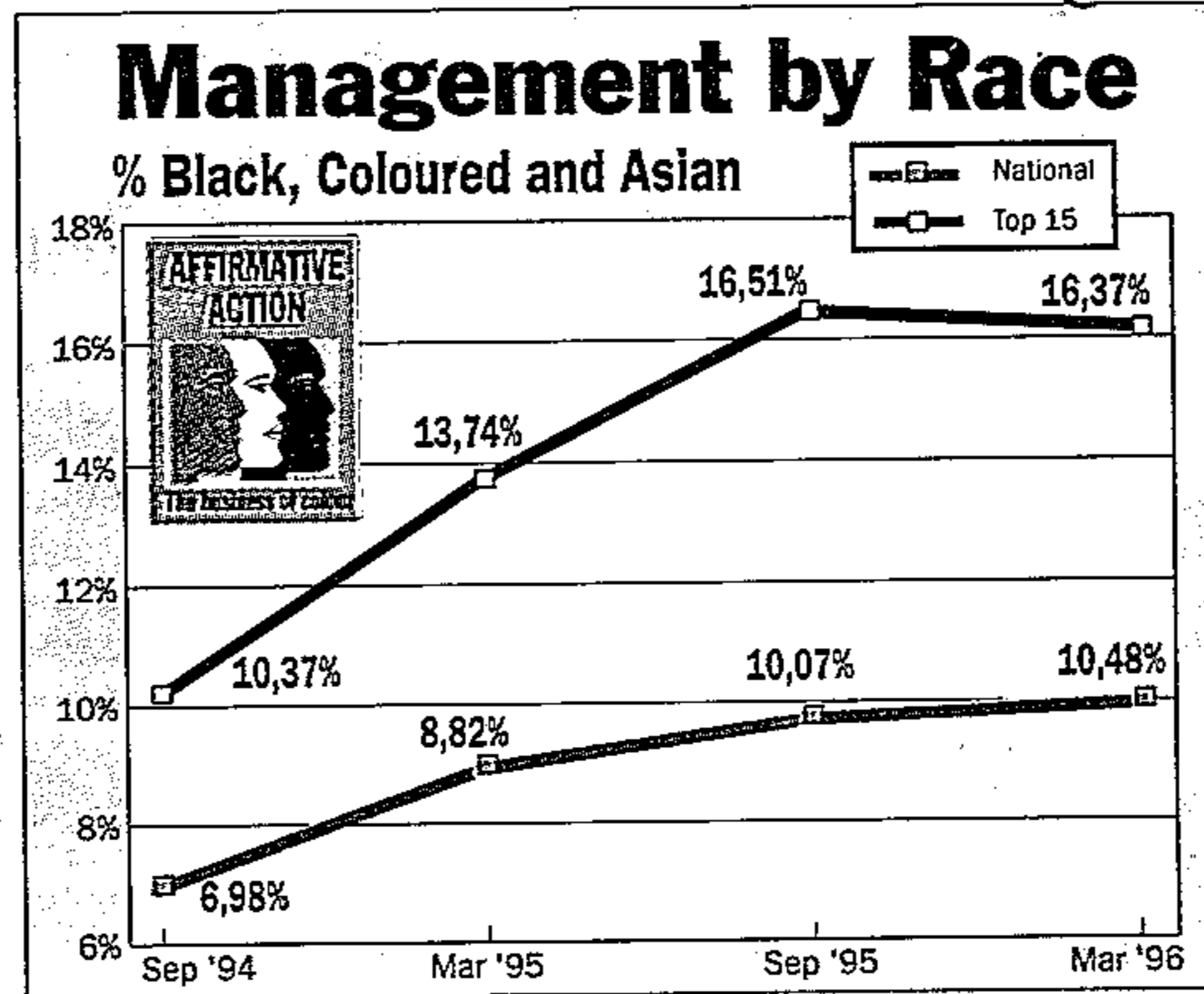
"I'm having my business card redone at the moment: Maybe I should start referring to myself as an affirmative action recruitment consultant," said Amiss.

"Black placements make up 95% of my business ... affirmative action is the name of the game."

It is a particularly lucrative and competitive "game" as companies and recruitment agencies woo, cajole and poach black professionals who in many instances can name their price.

The higher the price, the greater the commission, which at the moment stands at anything between 15-25% of the successful candidate's annual salary.

Amiss recruits across the board but says the really "big fish" are black chartered accountants — of which the country had only 75 at the last count. Other lucrative markets are the banking and investment industry, engineering and management.



Her experience bears out an often-heard allegation in the Western Cape — a bias which prejudices coloureds and Asians. "What I find is that companies are wanting African people and not coloured people which I believe is wrong and very worrying."

Recruitment is just one area of a lucrative industry which has sprung up around provision of affirmative action "services" and "suppliers".

The industry is expected to show even greater growth with the implementation of the

government's new affirmative action policy next year.

Services offered are as diverse as training, anti-racism and anti-sexism workshops, performance management competency development and even board games aimed at understanding black culture.

Ms Pam Herr operates a company that helps firms "get to grips" with issues such as employment equity, black economic enablement and capacity building.

"Black economic enablement is a crucial factor in the future peace and prosperity of our country."

She helps companies change the "mindset" of employers and the environment within their organisations. She also assists them in preparing affirmative action policies.

Both Amiss and Herr are members of the Black Management Forum.

"It's very interesting but it's also a good place to meet the right people," says Amiss, who admits to "keeping her ear to the ground" and to "ringing up" people who she considers may be good affirmative action candidates.

Said Mrs Dorothy Guest of the Centre for Anti-Racism and Anti-Sexism Trust (Caras): "The sad thing is that white males in business are still being consulted by white males and in so doing ensure that the cycle is not being broken."

"What's annoying is that instead of black people making money, white people are cashing in on the act."

Although effectively a non-profit organisation which also provides subsidised programmes for non-governmental organisations, the Caras Trust also runs "Understanding Racism and Developing Good Practice" corporate workshops.

Caras states that its workshops are aimed at providing participants with the tools to recognise and challenge racism in the workplace and to develop practical goals and strategies in relation to affirmative action and change management.

"The workshop offers an opportunity for blacks and whites to explore the impact of personal, cultural and institutional racism. It seeks to arm all groups with the motivation to apply a rejuvenated enthusiasm when returning to the workplace."

With affirmative action legislation expected to be implemented in the new year, don't be surprised — if you're lucky enough to be in the sought-after category of the market — when the next call you receive is from an affirmative action recruitment consultant.

White collar blacks affirmed

(176) (15)

Sowetan 31/7/96

IN April 1993, the Absa Group renewed its efforts to address the fact that the racial make-up of their client base was not reflected in its staff. Absa now has a far-reaching and effective "constructive employment and development" policy.

It does not see its actions in terms of affirmative action, but rather as part of an on-going trend and a very necessary change process.

Bert Griesel, group general manager: human resources, notes that, unless the pool of qualified blacks is increased, then all South African companies will be competing for a limited number of candidates.

Consequently Absa, rather than employing untrained people as "tokens", have instituted grass-roots training schemes in order to increase the number of trained and qualified blacks.

Absa has an implementable programme surrounding their policy. No staff members will lose his or her job on the basis of their race or sex but, as the existing work-force diminishes through natural attrition, new employees are appointed to reflect the demographic make-up of the country.

"In April 1993, 16 percent of the Absa work-force was black. That figure has now risen to 25 percent and will continue to rise as the pool of qualified blacks increases," says Griesel.

There are numerous training initiatives which include a Candidate Bank Technician programme for people with matric but without any financial background. They are trained over a two-and-a-half year period during which time they may be employed permanently by Absa. At any one time there are 650 700 interns on the programme.

The Absa Group is one of the main sponsors of Alberton School which gives students from Standard 8-10 training in financial and business-related subjects.

One of the programmes Absa are most proud of is the training centre in the Africa Growth Network building. This is a walk-in computer training centre for unemployed people with 100 work stations and 250 students present on any given day.

The students undertake an 8-12 week course during which time they are taught computer literacy and software packages. Forty percent of the students are currently absorbed by the business market.

An innovative new programme involves the training of new tellers via satellite, an interactive television/computer system, whereby they can interact with the trainer from anywhere in the country.

The majority of Absa

employees belong to Sasbo, the finance union, which is affiliated to Cosatu. As the union mainly represents white collar workers in the banking industry, the affiliation has been challenging but Denise Mantle, consultant industrial relations, says that members are positive about change.

Absa supports a philosophy of consultation whereby workers from all levels are encouraged to participate in decision-making process.

Two years ago, Absa instituted a Growth Charter which states the rights of employees. They include the right to "question the way we do things and propose changes which will ensure continuous improvement in your team".


The relationship between the union and management is healthy. Absa's labour policies are fully negotiated with the union and the bank believes that when the new employment equity

legislation comes in, many of Absa's policies and practices will support the aims of the legislation.

In fact the only cloud on the labour relations horizon appears to be the issue of corporate clothing to women employees in the commercial banks while male employees do not have such a benefit. Judging by their other successes the company shouldn't have too much problem in sorting out this particular problem.



Bert Griesel ... for qualified blacks



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Companies too quick to skirt the question of gender equity

CT 31/7/96 (176)

HENRY LUDSKI
POLITICAL WRITER

GENDER equity has emerged as one of the most contentious issues in affirmative action.

The problem has been highlighted by several recent surveys that have found that, in the public and public sector, it is still very much a man's world.

Affirmative action has aroused intense debate in the workplace, but nowhere is it more fierce than in the gender movement where the focus is on moving the debate to the political centre-stage.

"At the moment the debate is not even in the room, let alone on the table," says organisational development consultant Ms Phuti Tsukudu, who is involved mainly in training in the non-government organisation and public sectors.

Tsukudu argues that organisational structures are modelled on "patriarchal" societal values.

"When one mentions gender one senses an element of discomfort among men because it touches on the power dynamics between the sexes.

"It's an issue with which even

many progressive black men are struggling."

The relationship between men and women is often characterised by suspicion and fear that women in the gender movement have a "hidden agenda", Tsukudu says. "We would begin to succeed only if most men embraced gender equity and began to challenge and educate their male colleagues."

Gender equity and the rights of the disabled have received special government attention. This is reflected in the emphasis given to these in employment and human rights legislation and in the Constitution.

A member of the Law Society's executive, Mrs Christine Qunta, said she had been "startled" by a recent survey that found women were not rising up the corporate ladder at the same rate as men.

The survey, by UCT's Graduate

School of Business Breakwater Monitor, found a slight decline in the percentage recruitment of women by top companies that were making progress with affirmative action.

Qunta called for "fairly drastic steps to be taken to rectify the situation".

At the heart of the problem, she believed, was the question addressed by her book, *Who's Afraid of Affirmative Action?*

"White men, it appears," says Qunta.

"From my experience in the corporate

world, it appears that most white males find it difficult and unusual to deal with black women."

As the only black practitioner dealing with commercial corporate law, Qunta has found that many white men are reluctant to deal with women and to view them as being skilled.

Qunta believes that women bring to the corporate world special qualities that are "badly needed".

By promoting representivity at the highest level of power, the government has "pointed the way", Qunta says.

"It has created a tremendous climate and platform for women which has resulted in a lot of issues receiving attention and being highlighted.

"The government has laid the

foundation for gender issues to be addressed and it is now up to other people to keep it alive."

Western Cape human rights commissioner Ms Rhoda Kadalie said she expected affirmative action and discrimination would be one of the focuses of the Human Rights Commission.

A number of complaints had been received from women who said they were being discriminated against in the workplace.

"I have told them that if they believe they have been overlooked, then they must take this up first with the company. In this way, employers will have to develop grievance procedures that address this issue.

"Companies are going to be confronted increasingly with cases of discrimination. It is important that they start dealing with such matters themselves because it is extremely costly to go to court."

Kadalie, who as gender co-ordinator at the University of the Western Cape played a significant role in placing gender on the table on campuses, said the HRC would tackle aggressively the question of discrimination.

Companies should "accept that women are breadwinners, just as men are" and that they should be treated similarly.

There were still many factors, such as the lack of child-care facilities in the workplace, that mitigated against the performance of women and which needed to be addressed, Kadalie said.

"Education in the workplace around issues of employment and gender equity should form an integral part of the implementation of affirmative action."

● *Tomorrow we focus on the lessons to be learnt from the Canadian experience in developing and implementing a policy of equity in employment.*



The third in our series of articles on affirmative action focuses on the challenge of achieving gender equality.

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MANPOWER - BLACK MOBILITY

1996 - 1997

'There must be stick as well as carrot'

(176) 21/8/96

HENRY LUDSKI
POLITICAL WRITER

SOUTH Africa should avoid allowing cases and grievances to be tied up in the legal process, says a Canadian human resource specialist who was involved in drafting his country's employment equity.

Professor Haris Jain also says the government should develop an affirmative action monitoring and auditing mechanism that encourages self-discipline by companies, instead of a costly system of policing implementation.

Jain, who is on his third visit to SA to help deal with the practical issues arising from one of the most contentious pieces of legislation passed this year, says the affirmative action caseload here could become as "overwhelming" as in Canada, where it takes three to five years to resolve complaints satisfactorily.

Inordinate delays in resolving

cases would only worsen the situation and could discourage people from complaining, he says.

Canada, which passed its Employment Equity Act in 1986, coined the term "employment equity", now widely used throughout the world.

It has a strict system of monitoring that requires companies to submit detailed employment equity audits reflecting goals and timetables and aspects such as the relationship between recruitment and job success.

However, the Canadian experience has been that even though it had "goals and timetables" it did not have incentives.

"It was one of the great weaknesses in our system. It created a



The fourth in our series on affirmative action looks at the lessons to be learned from Canada.

situation in which employers were not very serious and neglected to make qualitative efforts in areas such as proactive recruitment and training," says Jain.

Accountability and incentives are crucial to the success of employment equity.

"If companies are serious about employment equity they will not only have separate budgets (for affirmative action) but will also ensure accountability within the organisation," he says.

"They will have to make sure that at the end of the day the performance appraisal of managers at a senior level will be judged in part by their performance on the goals and timetables in the Employment Equity Act."

Jain says there has to be "stick" as well as "carrot".

He identifies the absence of sanctions as another of the weaknesses discovered in Canada.

"Sanctions are absolutely necessary. As a result of the problems we experienced, our new Employment Equity Act, which becomes effective in September, allows the Human Rights Commission to impose fines of R150 000 and more if companies still refuse to comply with the legislation."

Jain also warns that the enforcement of employment legislation in South Africa will require a clear definition of which groups are to be covered by employment equity.

"The government has to decide where its focus will be, because if there are competing interests it has to be very careful not to create a situation in which people who have suffered disadvantages are ignored."

Blacks find only whites are promoted

ROGER ADAMS (not his real name) speaks about his experiences of racial discrimination at a multi-national company.

"Instead of responding positively to affirmative action, the company has gone in the opposite direction. In the past two years they have promoted only whites in my division, even though there are black people capable of doing these jobs.

When questioned, the company has responded by victimising complainants and by threatening them with dismissal. They have an affirmative action policy but I believe it is a lie.

I have become incredibly frustrated and demoralised because the company has not shown any willingness to listen to the grievances of black staff. In my case, I met all the requirements for promotion but was overlooked in favour of a white person with less experience.

Most of the black staff are unhappy about the level of discrimination but are scared of saying anything because they are afraid of losing their jobs.

They are aware of the victimisation I'm experiencing in taking up this issue, which doesn't give them the confidence to express their dissatisfaction.

I have reached a point where I want to leave but feel it would leave them (the company) as the victors and allow them to continue with their racist policies.

I was regarded as the top achiever in the company. I won most of the major awards but as a result of my manager's racist attitude my career has been destroyed."

Window-dressing the norm, certain groups still excluded



IN THE LAST in our series on affirmative action, **HENRY LUDSKI** looks at what companies should do to succeed.

MOST companies and organisations have gone in for little more than "window dressing" in putting their affirmative action programmes into action.

Researchers and affirmative action interest groups have come up with a list of "dos and don'ts" needed to make the policy succeed.

Success would depend on the extent to which chief executive officers and company management demonstrated their commitment to affirmative action, said Mrs Dorothy Guest, of the Centre for Anti-Racism and Anti-Sexism.

Window-dressing would backfire on employers, she said, because "no employee is stupid enough not to pick up the subtleties of the situation. Once they do, they will withdraw their support".

Guest also believes that affirmative action will have a slim chance of success if the issues of racism and sexism are not addressed in the workplace.

Affirmative action has aroused intense debate in the workplace, with the policy to date being implemented with varying degrees of success by South African companies and organisations.

Researcher Mr Daniel van Dalen of the Labour Research Service argues that while training forms an integral part of implementing employment equity, companies were not doing enough to address this particular problem.

A recent study of about 60 top South African companies reveals that during a one-year period they together spent about R1 billion, about two percent of their payroll

budget, on training.

This compares to an international average of between four and seven percent, and the four percent called for by the Congress of South African Trade Unions.

Van Dalen said that much more than four percent should be spent on training, given the enormous requirements and backlogs.

Mr Angus Bowmaker-Falconer of the Breakwater Monitor—a Graduate School of Business project researching market trends, with an emphasis on affirmative action—believes a successful affirmative action strategy would include a combination of restructuring the way companies work, re-evaluating the skills that employees have and taking people through relevant training programmes.

"Every organisation in this country is a product of racism and no affirmative action programme can begin without a recognition of that fact."

Another major problem was

that too many employers saw it as a separate or add-on activity.

"In principle companies might understand that there is a link between affirmative action, human resource development and business effectiveness, yet many of them can't put it into operation."

Bowmaker-Falconer also believes that in the Western Cape in particular, too many companies are "skirting around the issue" and concentrating on programmes on a surface level, which "doesn't let people deal with their deep-rooted values and understanding".

At the heart of the problem in many organisations were practices that systematically continued to exclude people and allocated different levels of resources.

To succeed companies must have organisational practices that involved all staff, an effective system of recruitment and staff development, programmes that focus on race, gender and the disabled, realistic goals and timetables and systems of accountability.



(176) CT 2/8/96

Affirmative (re)action in SA's prisons

ART 3/8/96

(176)

ANDREA BOTHA
Staff Reporter

THE Department of Correctional Services has been plunged into turmoil by the rigid implementation of its affirmative action policies.

Mike Green, spokesman for Correctional Services, said there was much "unhappiness" in the department and that it was a "very sensitive" issue.

He said 20-30 white employees would leave the department by the end of the year, to be replaced by affirmative action appointees.

The department had initially decided against providing retirement packages for them, he said.

The Department of Correctional Services adopted an affirmative action policy in 1994, specifying that all its departments must reflect a 70 percent non-white and 30 percent white staff membership by the end of 1999.

But in the Western Cape, it was only at the beginning of 1996 that these resolutions were suddenly implemented. Now there is pressure to put them into action before the end of the year.

Meanwhile, tension caused by the policy has allegedly been responsible for disruptions at Victor Verster prison in Paarl.

Despite denials by prison authorities that racial tension had been the cause of the unrest at the prison, informed sources said prisoners were intimidated to disrupt services and the transformation process.

Vice-president of the South African Prisoner's Organisation

■ Tension caused by the Department of Correctional Services' affirmative action policy has plunged prison management into turmoil and been the cause of much "unhappiness".

for Human Rights (SAPOHR), Wally Wolmarans, said the transformation of prison management at Victor Verster was causing havoc.

"The situation is very serious", said Mr Wolmarans, who has been involved in negotiations with prisoners after each protest.

"When there is no leadership at the prison, the prisoners take over", he said.

Currently, six top white officials at the prison, including prison commander Dirk du Plessis are on sick leave.

Temporary prison chief Willem Damons refused to confirm speculation that some of these officials had allegedly said they would not be returning to work until the end of the year, when they will be replaced by non-white staff.

A spokesman for the Public Servant's Association (PSA), who wanted to remain anonymous, confirmed that affirmative action was causing a crisis. He said many people had been informed, without prior notice or consultation with their trade unions, that they would have to vacate their positions by the end of the year.

He said the PSA supported affirmative action in principle, but could not agree with the way

in which the policy was now being forced on employees in Correctional Services.

He said this was against the employees' human rights.

"We are worried about the current staff who are not motivated and the standards at prisons, which are dropping."

He said the PSA believed the problem was not the policy, but the way in which it was being implemented.

"Experienced people are forced to leave and in many instances untrained people are taking their posts.

"Experienced people are now moved to prisons in far-off places, often with a drop in pay."

Provincial Correctional Services Commissioner, Stephen Korabie, said he was aware of dissatisfaction about affirmative action policies in the department.

"This is nothing new, we have warned our staff since 1994 to be prepared for changes.

"No one said transformation was going to be easy and I am asking everyone to be open to the changes".

Mr Korabie said he was only aware of two officials at Victor Verster prison who were away on sick leave.

"But these people ... have proven medical conditions".

He confirmed that prior to Mr Damons' temporary appointment at the prison, there was some racial tension between prisoners and white wardens.

He said these problems had now been resolved and that he was satisfied with the discipline at the prison.



Wiseman Nkuhlu, the chairman of the National Empowerment Consortium

PHOTO: SEWYN TAT



Cyril Ramaphosa, the executive chairman of New Africa Investments

PHOTO: SEWYN TAT

Black savings 'aren't used to fund black empowerment'

By Jabulani Sikhakhane

BUSINESS EDITOR

Johannesburg — Black business turned its sights on white financial institutions yesterday, saying the black savings they held were not being used to finance black economic empowerment.

Wiseman Nkuhlu, the chairman of the National Empowerment Consortium (NEC), said at a black economic empowerment conference in Johannesburg though black South Africans saved about R30 billion a year through retirement funds and other forms of savings, these savings had yet to be mobilised to finance black economic ownership and control.

"Blacks have over the years had to give their savings to white institutions to manage and to use for white economic empowerment," Nkuhlu said.

The NEC is a consortium of black business and trade unions that is bidding for Anglo American's 48 percent stake in Johnnies Industrial Corporation (Johnnic). Johnnic, valued at more than R8 billion on the JSE, has significant stakes in Premier, the food group, and South African Breweries, whose operations include beer, softdrinks, and food and clothing retailing.

Some NEC members are

believed to be battling to raise the finance needed to buy Anglo's stake in Johnnic and are expected to acquire these assets in stages rather than all at once.

Nkuhlu, who is also the chairman of Worldwide African Investment Holdings, a black-controlled investment group, said black workers contributed an estimated R12 billion to R15 billion to retirement funds last year.

Savings through stokvels and other similar voluntary organisations were about R2,4 billion last year. Nkuhlu said that if other forms of savings were included, black savings could be as high as R30 billion a year.

He said labour unions, which could influence the way their members' retirement funds were invested, needed to form consortiums with black business to bring managerial expertise to advance black economic empowerment.

Nkuhlu said the separation between those who saved and those who made investment decisions had limited the use of a large amount of black savings for black economic ownership.

He said the politically emasculated group subsidised the more powerful group in societies with entrenched racial inequalities. That was what happened in

South Africa, he said.

Nkuhlu said that decisions by blacks to entrust their savings to fellow blacks would not be driven by political considerations alone. Even when most of the trustees of retirement funds were black, it would not result in retirement funds taking unjustifiably high risks.

Nkuhlu said the issue that would change was interpretations of what constituted risk and not the principle of balancing risk with projected returns. For instance, black trustees would not necessarily associate investing in predominantly black areas with high risk, as traditional investment managers did. Their world view would not necessarily correspond with that of traditional investment managers.

Addressing the same conference, Cyril Ramaphosa, New Africa Investments' executive deputy chairman, said black economic empowerment needed to be a large plank in the government's economic policy framework, because the exclusion of most of the population from the mainstream economy would have serious long-term political and economic consequences.

Ramaphosa said there should be specific empowerment targets and the means to achieve these, which should be monitored.

58 CT(BR) 5/8/96 (176)

Whites dominate

By Mzimkulu Malunga

IT IS not only in South Africa where whites still hold the lion's share of company directorships. In many African countries – with the exception of Nigeria – white men dominate the boards of leading companies.

A study done by MacGregor Information Services shows that although the extent of white domination is much greater in South Africa, there are still wide disparities when comparing the number of black directorships with those held by whites in the rest of sub-Saharan Africa.

The MacGregor survey was done on companies listed on leading stock exchanges in Africa south of the Sahara. It also covered major unlisted South African companies.

Out of the 1 006 companies surveyed in South Africa, only six percent of their directors are black. Black women have the lowest representation of only about 32 directorships compared to white men's 7 920.

There are 8 401 directorships in South Africa's leading companies. A substantial number of the directorships are held by the same individuals. There

(176) *South African*
6/8/96
In most sub-Saharan countries, white males hold most directorships

are 235 individuals who hold more than five directorships and 222 of them are white men.

In Zimbabwe – southern Africa's second biggest economy – out of the 492 directorships of the companies listed on the stock exchange, only about six of the board representations are held by black women.

On the other hand, white men hold 350 directorships.

One woman director

In Botswana there are 50 directorships held by white men and there is one black woman director and 21 black directorships.

In Kenya white men still dominate the directorships of companies listed on the Nairobi Stock Exchange. They hold 139 board representation, compared to three held by black women. Black men hold 107 directorships.

The pattern is not that different in some of the major economies on the African west coast.

White men hold 85 out of 145 directorships of the 10 companies listed on the Ghanaian Stock Exchange. Ghana was the first state in "Black Africa" to gain independence in 1957.

The directorship disparities are even wider in Ghana's neighbour Ivory Coast where whites hold 138 of the 198 directorships. Blacks hold 59 directorships and only four are held by women.

The only country, out of the 11 states surveyed by MacGregor, where blacks dominated the board representation is Nigeria. There, blacks hold 1 118 of the 1 182 directorships.

But even in Nigeria, the number of black women directors is still lower than that of white men.

Analysts say Macgregor's statistics demonstrate the extent of white domination of Africa's private sector.

Some say whites dominate because most of the companies listed on sub-Saharan Africa's stock markets – excluding South Africa – are multinational corporations.

Leon condemns 'immoral' affirmative action

By **MONDLI MAKHANYA**
Political Reporter

Democratic Party leader Tony Leon railed against affirmative action yesterday, describing it as "inappropriate and immoral".

Speaking at the Johannesburg Press Club's annual general meeting, Leon said reverse discrimination in the form of affirmative action had no place in South Africa and ran counter to the Bill of Rights. He said ethnically and racially motivated affirmative action would "sabotage the economy".

White employees in the public and private sectors were becoming demoralised and this was encouraging emigration.

"With the tide of the proficient flooding out of the country, the last thing government policy should sanction is the understanding from white professionals that there is no opportunity or a future here," said Leon.

He singled out Transnet as an example of an institution where affirmative action was denting the morale of white management. He said the departments of Correctional Services and Justice were facing a "mass exodus of qualified employees who happen to be white because they are to be replaced by unqualified employees who happen to be black".

Leon warned against proposed legislation which will give the state the power to monitor the racial composition of private sector companies.

(176) Star 8/8/96

BUSINESS

By Shadrack Mashalaba

THE Accounting Training Corp-
oration of Southern Africa (Atcor) is to
launch an "Introduction to Account-
ing" programme to assist corporations
with their affirmative action policies.
Scheduled to begin next month, the
programme is designed to help corpo-
rations that have difficulty in imple-
menting affirmative action strategies

(176) *Sowetan 8/8/96*
Boost for affirmative action

because they lack skilled personnel -
particularly from black communities.

Atcor managing director Roger
Pearce says the three-month pro-
gramme will also give employers
weekly reports on trainees' progress.
"Workplace training through Com-

petency Based Education and Training
(CBET) is the international trend. Our
specialisation in CBET in the financial
field is rapidly gaining interest."

Anglo American is one of the com-
panies interested in the programme.
"The current demand is for

employment equity. It is alright to
identify new talent and recruit accord-
ingly but additional focus should be on
people already in the workplace."

Pearce warns companies that the
introductory programme by itself is
insufficient as many candidates come

from seriously disadvantaged back-
grounds and need additional support.

He argues that the Atcor pro-
gramme only lays the foundation for
further training in the financial field.

At the end of the course the client
should know which individuals have
achieved the required competency. A
certificate accredited by the Financial
Management Institute of Southern
Africa will be awarded to candidates.

Black IT company in Pretoria gets first investment from equity fund

By Roy Cokayne

Pretoria — Choice-1 Systems, a black information technology company in Pretoria, is the first recipient of an investment by the R50 million Franchise Equity Fund, which was established largely to help black entrepreneurs.

The fund was established last year and is managed by Nedbank Investment Bank, which is also a shareholder with the International Finance Corporation and the Commonwealth Development

Corporation.

The money invested in Choice-1 Systems will be used to set up a Pretoria office of ExecuTrain, a US-based computer training company that specialises in educating business professionals in popular software packages and innovations in computer technology. ExecuTrain was established in 1984 and has 137 branches in 20 countries.

Choice-1 Systems has received R1,4 million from the fund. The remaining R600 000 invested in the business will come from the share-

holders, Choice-1 and ExecuTrain South Africa.

Choice-1 will be the majority shareholder in ExecuTrain Pretoria, owning 55 percent of the business. The Franchise Equity Fund will own 40 percent and ExecuTrain South Africa 5 percent.

Choice-1 Systems will have the option to buy back the shares from the Franchise Equity Fund after five years, in line with the fund's policy.

ExecuTrain Pretoria opened its doors for business on Wednesday

with a staff of 10.

The company has six classrooms and will offer more than 250 instructor-led courses on popular software programmes from publishers such as Microsoft, Lotus, Corel and Novell.

Lesiba Kekana, the managing director of ExecuTrain Pretoria, said the business would make a large contribution to the enhancement of software skills in the Pretoria business community.

He said the Franchise Equity Fund offered a solution to entrepre-

neurs who did not have the assets or capital to enter into projects of this magnitude.

"Besides the capital investment, the fund also offers business skills and strategic advice," he said.

Willy Ross, the executive general manager of Nedbank Investment Bank, said experience overseas had taught it that franchises could contribute to the rapid economic development of South Africa by encouraging entrepreneurship, if it was backed with expert support and advice.

(176) CT (BR) 27/8/96

Empowerment in the cyber world

By Françoise Botha

Cape Town — Zimele Technologies has taken on the challenge of realising black empowerment in the information technology industry.

Zimele was formed by a group of former Novell employees in the Cape in April after Corel had bought WordPerfect from Novell and had decided to centralise in Johannesburg. The new company focuses on computer technical support services, and Internet and intranet solutions.

The company is already ensured of a turnover of at least R3 million only three months into the financial year, based on contracts it has already concluded.

Hasmukh Gajjar, the managing

(176) director, said "companies such as ours will become contributing partners to social and economic reconstruction not only by being black equity-based, but by realistically reflecting the country's demographics".

Gajjar said there was a strong need to build more of a local information society.

"It is essential for South Africa to compete on a global scale and information, which is a necessary tool, is being leveraged to maintain competitiveness.

"The effective and efficient management of information into the next century is a vital part of the business management function.

"We need to make IT accessible at all levels and must encourage

ET (AR) 9/8/96 exposure to it."

Gajjar said there was also a need to empower people with technology. The company's philosophy is well captured in its name, which means to stand on one's own.

"Installing a network or a desktop solution is not the end of the relationship with the customer. There is a need to guide the customer on how to use and manage information," he said.

The company provides training, consulting and project management services on network operating systems (Netware, NT); groupware (Microsoft Exchange, Novell Groupwise); desktop applications (Corel Applications, MS Office, WordPerfect); and Internet-intranet solutions.

to about 16%. At this rate, they will constitute up to 35% of managers and more than 50% of skilled workers in these companies by the year 2000.

"This growth is phenomenal and is almost unprecedented internationally," says the Breakwater Monitor's Angus Bowmaker-Falconer, "but these benchmarks will be difficult for less resourceful companies to follow."

The Top 15 companies are in sectors that are aggressively pursuing new markets. They can be divided into three categories: fast-moving consumer goods, financial services and general retail trade; public corporations that are subject to regulation and political change; and multinationals that have been pursuing affirmative action for two decades.

The study found a huge gap between the Top 15 performers and most large companies which have failed to increase the number of blacks in management above 10%.

This is the average for the study sample which is biased towards large, leading firms. Bowmaker-Falconer believes that the national norm for SA does not exceed 1%.

In the Top 15, blacks make up 70,7% of all new management recruits compared with 20,3% in 1994 and a sample norm of about 42%.

Vigorous recruitment is being matched by enthusiastic promotion in the Top 15, where 42% of all management promotions go to blacks compared with a sample norm of 18%. Successful affirmative action programmes in the Top 15 involve the external recruitment and internal promotion of blacks and encompass recruitment, promotion and development practices.

However, almost all the 150 respondents have made little progress in recruiting and promoting women.

Between 1994 and 1996, the number of women in management increased by less than 1% for the sample to 12,4%. Black women make up only 1,57% of all managers.

One of the study's key findings is the in-

50 CURRENT AFFAIRS

ability of even large, sophisticated companies to provide basic labour market information.

Says Bowmaker-Falconer: "What can we expect from smaller companies if sophisticated organisations battle to provide information on remuneration practices, labour market flexibility and employment equity. This has serious implications for national data collection."

The study also found a trend towards "upskilling" — a gradual increase in the number of managerial and skilled employees with a concomitant decrease in the number of unskilled workers. However, training and development information was supplied by less than 50% of the sample, implying that many large employers are not geared towards internal capacity building.

Should the Employment & Occupational Equity Green Paper become law these shortcomings will have serious implications for larger firms which will have to submit employment equity plans to government detailing measures to reduce barriers, speed up the training and promotion of identified groups and track their affirmative action success.

Says Bowmaker-Falconer: "Government is assuming that legislation will sort it (affirmative action) out. What it will require is systematic monitoring and evaluation in a standardised way at all levels of the economy. Transformation without monitoring, evaluation and accountability at the most senior levels in the organisation has a hollow ring."

The full results of the survey will be released next month. ■

AFFIRMATIVE ACTION (176)

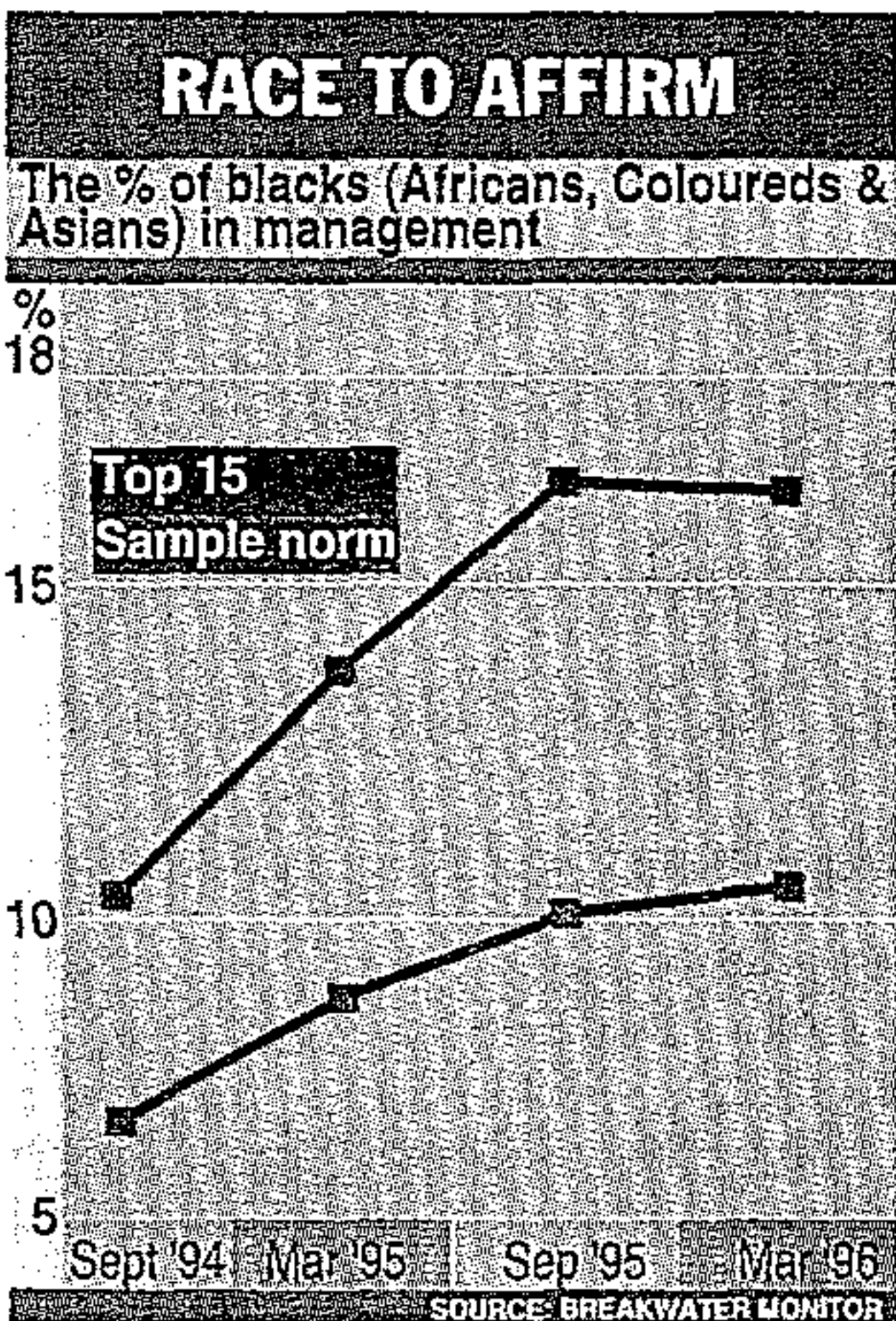
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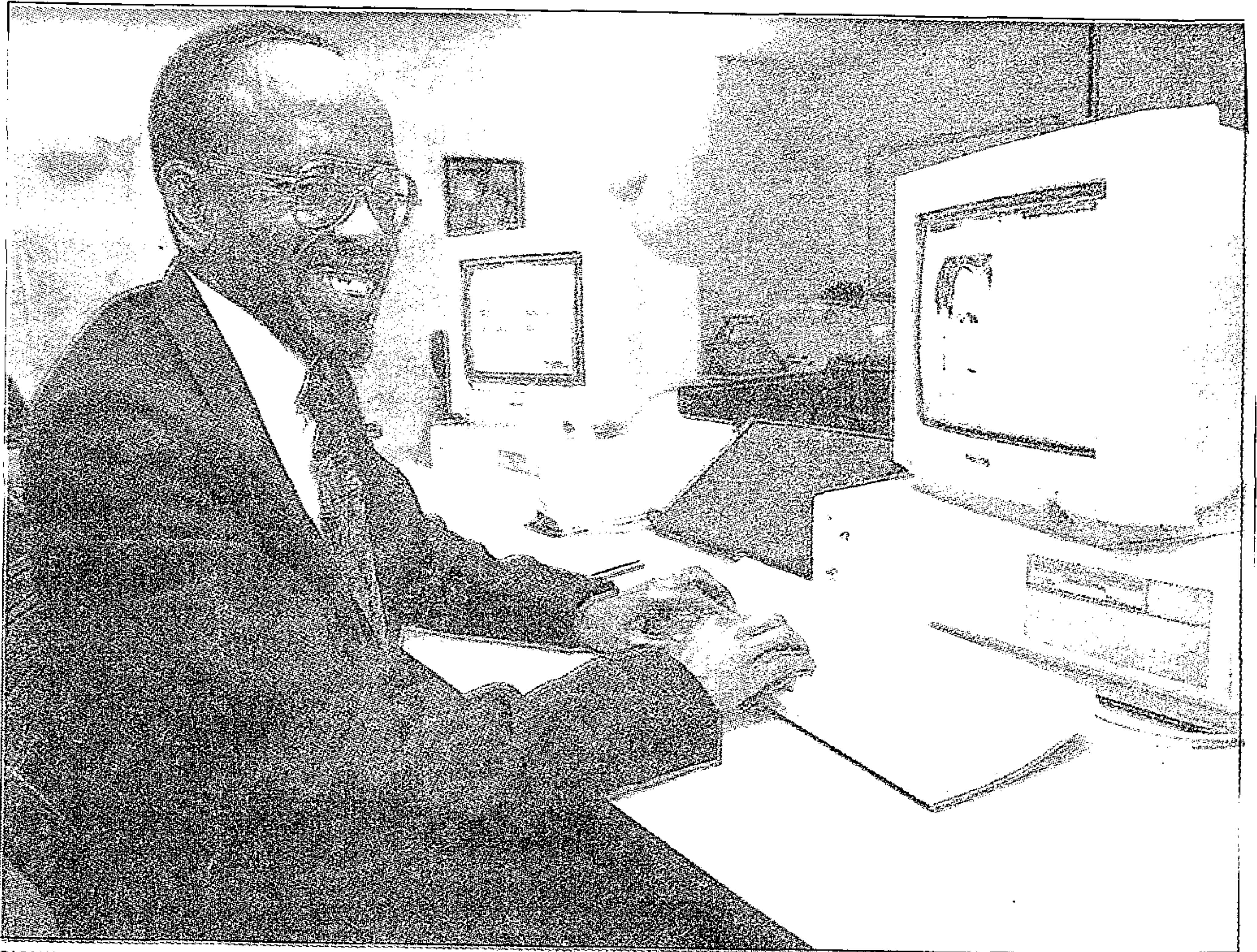
FM 9/8/96

A handful of the most progressive companies are outstripping the pack in their haste to implement affirmative action, though most big companies are still struggling to get to grips with it.

This is the finding of a four-year study of 150 leading companies which collectively employ more than 1m people. It was undertaken by UCT's Graduate School of Business Breakwater Monitor.

The number of black, coloured and Indian managers in the 15 most progressive companies almost doubled between 1992 and 1996





SIGNING ON: Lesiba Kekana, managing director of the ExecuTrain franchise in Pretoria Picture: JULANI VAN DER WESTHUIZEN

Affirmative start for Choice-1

ST (PT) 11/8/96 (176)

By ZILLA EFRAT

BLACK-owned computer company, Choice-1 Systems, has become the first beneficiary of the R50-million Franchise Equity Investment Fund. It will receive a R1,4-million investment to help it set up a R2-million ExecuTrain franchise in Pretoria.

Based in Atlanta, ExecuTrain offers training courses to small and large companies through 137 franchises in 20 countries.

Choice-1 Systems already provides career-oriented computer training in Pretoria and has a consulting office in Midrand.

Lesiba Kekana, managing director of ExecuTrain of Pretoria, says the franchise will enable it to expand its services to business and

government in Pretoria.

The Franchise Equity Investment Fund was jointly established last year by Nedbank Investment Bank and the International Finance Corporation to help entrepreneurs establish franchises. Partners in the fund are Sanlam, the Development Bank of Southern Africa, the Independent Development Trust, the Commonwealth Development Corporation and the Dutch Development Agency.

Nedbank Investment Bank general manager Willy Ross says the franchise route was chosen because it offers entrepreneurs es-

tablished systems, training and support. In the US, about 40% of retail sales come via the franchise system. In South Africa, the figure is less than 10%, highlighting huge growth potential.

The fund's investments are always made on a sound commercial basis. Once the fund has made a set return, it will exit the venture, leaving the owners as sole shareholders.

Ross says the fund's board has in principle approved four other investments, some of which may be announced soon.

ExecuTrain of Pretoria officially opened its doors for business this week. It hopes to increase its staff numbers from the current 10

to 22 in 18 months' time as student numbers rise. It has six classrooms and will offer more than 250 courses on popular software and the latest innovations in computer technology.

ExecuTrain's first SA franchise was opened in Sandton a year ago and additional franchises will be awarded to other parties in Cape Town and Durban.

ExecuTrain of SA managing director Nick Story says growth in computer networks in South Africa is expected to be about 30% over the next five years. This will create vast corporate needs for training as the country strives to become productive and competitive in the global economy.

NEC drafts agreement to prevent domination

DD 12/8/96 (176)

Patrick Wadula

THE National Empowerment Consortium, bidding for Anglo American's 48% stake in Johnnic, will this week begin drafting a voting pool agreement amid fears that the bigger members will unfairly dominate the transaction.

NEC deputy chairman Tommy Oliphant said at the weekend the smaller members, which still had to mobilise funds for their portion of the buyout, feared that the bigger players — New Africa Investments and Worldwide Africa Investments — would grab the lion's share of the Johnnic stake.

"The smaller members are concerned they will be outnumbered in the money stakes and fear that this will be reflected in the voting rights over the Anglo shares not taken up in the first tranche of the transaction."

Oliphant said those shares not immediately allocated would be warehoused by Anglo American, but he was unable to confirm reports that the mining house would

hold them for up to 18 months.

Oliphant said the smaller members wanted a voting pool agreement to protect them from Nail and Worldwide. NEC spokesman Irene Charnley said at the weekend the consortium's steering committee, consisting of representatives from the unions and business groups, would meet financial and legal advisers to hammer out an agreement.

The NEC initially agreed that no single member would get more than 12,5% of Johnnic, to prevent the larger groups from gaining an unfair advantage.

Meanwhile, a dispute in the negotiations between Anglo and the NEC — over the Times Media editorial charter — has taken a new turn after the NEC's public commitment last week to editorial independence for the publishing group's titles.

However, the NEC said it would negotiate the charter with editors and staff of the publications only once the transaction was finalised.

Telkom to favour blacks

Robyn Chalmers

TELKOM is seeking to increase black empowerment ventures which can benefit from its contract allocations — a move in line with other public sector initiatives.

The parastatal said yesterday the plan would seek to widen participation by such ventures, without waiving requirements.

Mike Nkosi, responsible for the formulation and implementation of the policy and its guidelines, said he was studying ways to overcome obstacles for black-owned companies wanting to supply Telkom.

"When evaluating future bids of our traditional suppliers, we will be considering issues such as black shareholding and the size of the stakes held by black shareholders," he said. "Subcontracting and outsourcing to black-owned companies and professionals, affirmative action and community upliftment plans will also be considered."

BD 14/8/96

Ramaphosa spells out empowerment priorities

BD 15/8/96

(176) (30)

Patrick Wadula

NEW African Investment deputy chairman Cyril Ramaphosa yesterday called on the government, private sector and the black community to introduce programmes and direct efforts towards ensuring that black economic empowerment did not remain a dream.

He told a two-day conference on black economic empowerment the programme had to include equity ownership, entrepreneur promotion and skills transfer.

Those who did not possess capital should be assisted to obtain meaningful equity ownership. One successful model for providing funds for small and medium enterprises in the private sector was venture capital funding through private equity funds.

Ramaphosa said these were sources of funding black business should be aware of—yet their focus was targeted to small and medium enterprises. “However, redistribution must be defined in terms of blacks as owners

rather than employees only. Continuous exclusion of the majority population from the mainstream economy will have serious long-term political and economic consequences,” he said.

There were core strategies government could put in place to ensure that its programme for economic growth achieved genuine empowerment.

Ramaphosa said SA had to learn from the Malaysian experience where goals were in place to achieve racial economic equity. “As SA moves towards the 21st century, every effort must be made to achieve racial economic equity,” he said.

Government had to provide incentives to the private sector to promote and fund black economic empowerment. These would include the revision of procurement policies to affirm and promote the procurement of goods and services from emerging black businesses. Government contracts could be an important base from which black companies could be nurtured for growth, job creation and wealth redistribution.

LEON ON THE ATTACK

PM 16/8/96

Government, at its halfway mark, has reached "a pinnacle of paralysis and policy drift," says Democratic Party leader Tony Leon.

"Delivery has been choked by incompetence, corruption, mismanagement and now by political correctness," he says in a stinging attack on government's affirmative action plans — which he describes as the "euphemistic clouds of racial quotas and group preference" masquerading as transformation. Apartheid, he adds, was a race-based af-

firmative action programme.

Leon's remarks, to the Johannesburg Press Club last week, foreshadow vigorous debate on a range of policies in the new session of parliament.

He says government's latest stall tactic in abridging the promises it made to voters in 1994, "is to effect further 'transformation'." However, he adds, real transformation requires job creation, improved education and training, economic growth, privatising uncompetitive State concerns and bridging the gap in living standards.

"Opportunity cannot belong to group affiliation; it belongs to everyone. Affirmative action assumes cultural, ethnic, racial or sexual difference is somehow critical to an employee's performance. It becomes a qualification in its own right.

"By merely replacing a manager of one colour with one of another, regardless of qualification, as a symbolic gesture towards 'representation', we do nothing to help someone who is unemployed and unable to feed his family."

This only establishes a new executive "boardoisie" (like a bourgeoisie), and with the "tide" of skilled people "flooding out" of this country "the last thing gov-

ernment policy should sanction is an understanding by white professionals that there is no future for them here."

Leon concedes that some public-sector corporations, like Telkom and Eskom, "seem to have managed the process of substantive transformation reasonably well, with sensitivity and some grasp of business principles," but others have not.

"We need only look at Transnet to see what effects race-conscious replacements have on a company and the morale of its workers — an effect Saki Macozoma, Transnet's CEO designate, concedes. No wonder two of its largest unions are repulsed by management."

Transnet officials had dismissed a train conductor over a R5,20 shortfall while at the same time ignoring the 181 fraudulent credit card expenditures, estimated at more than R100 000, of Sipho Nyawo, and rewarding him by promoting him to the position of executive director. "In any private corporation the offender would have been fired," says Leon.

He slammed Transnet chairman Louise Tager's condonation of this and other cases as "completely irresponsible and unconscionable," adding that it's

time for the Minister of Public Enterprises and the Auditor-General to invoke the Reporting of Public Entities Act, to protect taxpayers' money from poor management.

Section 8 of the Act obliges Transnet (and similar corporations) to conduct an internal audit to promote, among other things: the safeguarding and control of its assets, and economical and efficient management of its resources and the effective performance of its functions. And Section 13 gives the AG overriding powers to transmit a special report on any matter relating to its conduct.

Criticising Tager's announcement that Transnet privatisation will be delayed for another 18 months, Leon suggests its first task should have been to improve the efficiency and profitability of its business and reduce its pension fund liability "to benefit its workers and the taxpayers instead of sending them token signals."

The incident at Tembisa station "artic-

ulates the problem of Transnet and other State receptacles of social engineering."

The failure to devote adequate attention to crowd control, ticket distribution and security had prompted Transnet's Metro Rail subsidiary to use electric cattle prods on humans. Though this exam-

ple was extreme, "when will government recognise that apportioning its time designing policy to shuffle around various layers of management is done at the expense of workers and the public?"

Leon agrees with the UCT's Brian Kantor, who says that the difference with State versus private enterprise is that the State has a material interest in the status quo. Without the discipline of the market-

place, output and income is limited and there is no incentive for efficiency.

Other government departments like Correctional Services and Justice, says Leon, are facing a mass exodus of qualified white employees who are being replaced mostly by unqualified blacks. ■



Tony Leon

Stress hits affirmative action blacks

(176) ST (CM) 18/8/96

BY YVETTE VAN BREDA

MANY blacks occupying affirmative action management positions are experiencing major stress problems.

This is the finding of an Eskom researcher, Mrs Kariena Labuschagne, of Bellville.

She found that more than half of blacks appointed to affirmative action posts in middle management level at Eskom suffer from unhealthy levels of stress. This also seems to be the case at other South African companies, according to Labuschagne, who has been doing her research for post-graduate degrees at the Rand Afrikaans University and Stellenbosch University.

Largely to blame for the stress was the Eurocentric attitude of most Eskom workers, of whom about 90 percent were white males, she said.

Other factors included language problems as most Eskom management were Afrikaans-speaking; the strong position of authority managers were placed in; and the promotion of appointees for productive skills rather than leadership ability.

Labuschagne, who was involved in diversity management at Eskom until last year, found that while 52 percent of black employees in key middle management positions experienced major stress, only 27 percent of the whites had similar complaints.

"Eskom does not realise that the people they hired to balance out the racial imbalance in the company are the people that appear to suffer the most under the affirmative action programme," Labuschagne said.

A former Eskom middle manager this week confirmed that language and cultural differences posed definite problems, although he insisted that Eskom "should be congratulated" for their progressive affirmative action programme.

"However, they are not properly prepared to accommodate the influx of affirmative action appointments."

Trade embraces affirmative action

By Siphon Khumalo

AFFIRMATIVE action is set to make a positive impact on business transformation in South Africa.

This is the view of Dr Theo Veldsman, head of People Effectiveness Project at auditing firm Ernst & Young.

The company has just published the results of a survey on business transformation in South Africa.

Briefing businessmen in Durban on the survey's findings, Veldsman said affirmative action was set to have an "unprecedented impact" on business transformation.

"As 51 percent of affirmative action programmes were introduced in the past two years, their real results have yet to be felt.

"However, the performance of the affirmed in their jobs has been improving to a significant degree over the past four years," he said.

He said 71 percent of the respondents in the survey have set affirmative action targets in their companies.

But the figures were lower in the tourism, chemicals and minerals beneficiation industries.

Veldsman said the survey found that affirmed people were set to influence several strategic areas in

(176)
Soweto
21/8/96

The performance of those affirmed in their jobs has been improving to a significant degree over the past four years

South African businesses in future.

These, he said, included expenditure on training and development, management style, organisational culture, relationships with stakeholders, business alliances, partnerships, markets and products.

The survey also revealed that many groups were yet to realise the growing success rate of affirmative action programmes.

"In 1992, affirmative action programmes were rated as 25 percent successful, whereas this figure has risen by 70 percent for 1996," he said.

Generally, argued Veldsman, affirmative action was seen as a strategic issue which addressed critical skills shortage at all levels.

PORTNET'S BRIDGE TOO FAR

FM 23/8/96

Transnet chairman Louise Tager has denied knowledge of an extraordinary document spelling out how affirmative action must apply within the Portnet division. The document defies market principles and makes black economic empowerment the major criterion for the award of tenders.

Previous tender rules are set aside in the interests of awarding supply contracts to firms "with black participation" — even if they quote prices 12% above those of "white firms." Tager is named as "the key mover for this transformation."

But Tager said she had never seen the document and, though it reflected "elements of policy," she could not agree with the formulation. Transnet was committed to black economic empowerment but the Portnet document, in her view, had gone too far in quantifying how this should occur. She would investigate.

Portnet executive director Sipho Nyawo associated himself with this disclaimer.

The document surfaced in this week's parliamentary debate on the Public Enterprises vote when the DP's Mike Ellis quoted from it. He had received it from someone in Transnet and argued the public corporation's black empowerment vision was "out of control."

In its 1995 annual report, Transnet's intention to restructure from "a business point of view" was stressed. But the Portnet document — sent to business unit managers in Durban and signed by Siyabonga Gama, acting manager of planning and development — insists that the primary goal must be "transformation" even at the expense of contracts being awarded at better prices.

The document adds: "Transnet resources are being reinvested to support the development needs of SA. Business unit managers are advised that, in terms of this initiative, no detrimental effect should be caused to their performance appraisal as a result of a negative deviation in costs. The overriding consideration shall be the amount and extent of

black economic empowerment formations which operate within the business unit. This initiative carries the full support of the chairman of Transnet."

It records that 50% of Transnet's audit functions have been granted to black accountants, 20% to firms with black partners and 30% "has remained with traditional practices/firms which do not yet have black partners." Furthermore, the company is "looking at the Transnet legal work to follow in the footsteps of the audit system now in place."

Patronisingly, it urges "special efforts have to be made where a black contractor may not have the requisite skills administratively. Portnet staff should harness capacity around this area which (is) identified as one of the fundamental weaknesses of emerging businesses."

Though "this does not mean that all white businesses must be discarded . . . they have to be aligned to our new vision and the benefits of including blacks at ownership level have to be articulated to them." Following approaches from and to white suppliers, the message had been put across that intensified affirmative action "puts them in a better position for us to consider continuing with existing contracts."

Naively, the document stresses that "we are particularly cautious that these new formations do not merely emerge as 'fronts' . . . as a ploy to gain business." It adds that "(these) provisions . . . shall remain in place until Transnet financial guidelines are finalised."

This is why, "for the time being, a price of up to 12% more than a white firm with no black participation is considered reasonable to award such a contract to a black business."

These antimarket principles have emerged at a time when Transnet is under fire for alleged credit card abuse by its senior managers. Tager herself has not specifically denied that she is being paid R900 000 a year to run Transnet but has reportedly defended salaries of this magnitude by saying that she has "a full-time appointment and responsibilities."

This is fair enough but circulation of the Portnet document without her knowledge suggests she is unaware of how curiously Transnet's vision is being interpreted in one of its major divisions.

Said the DP's Ellis: "Portnet's business units will . . . in future be measured not in terms of efficiency but by an affirmative action quota."

The DP accordingly voted against the

50 CURRENT AFFAIRS

Public Enterprises allocation. To prevent further misunderstandings, Tager will have to be more precise about Transnet's black economic empowerment policy. ■

Affirmative action 'demoralising for police'

CV 30/8/96

(178)

PUT police force affirmative action on hold, execute or castrate rapists and wake up SA, callers suggested yesterday.

Ms Marjorie Higgo, Gardens: "Islamic fundamentalists are out to rule the world and in the guise of religion are rapidly gaining a foothold. One is reminded of the Lockerbie air disaster (still no conviction as the men concerned are safe inside their own country Libya), the explosion in the World Trade Centre in New York and possibly still to be disclosed, the explosion aboard Flight 400 in New York. Why is SA allowing into this country Muslims trained as terrorists in Afghanistan, Libya and Iran, with unlimited funding from oil-rich countries? Wake up South Africa, before it is too late."
 Mr Herbert Green, Newlands: "The

incidence of rape in South Africa (reported as averaging one every 84 seconds) is the highest in the world. The victims either face an agonising death from Aids or endless mental suffering.

In the Middle East and other countries, the incidence of rape is virtually nil because rapists are castrated or executed. Why do our lawmakers not enact similar laws to protect our wives and daughters?"

Mr Roy Fisher, Claremont: "There is nothing guaranteed to promote demoralisation more than to see people who are less

qualified than you promoted to positions of authority. Affirmative action should be put on hold in the police force."

make deals with these guys and then catch them? Then they'll find out where the drugs are coming from and where they're

going to. We see this happening on television all the time."

Mr Lester September, Lansdowne: "With regard to Pagad's Olympic bid ultimatum on the front page yesterday, they are going about it the wrong way. There are no real quality facilities for kids and family entertainment in Cape Town right now and I believe the Olympic bid process will provide these much needed facilities."

Mr John Boakes, Table View: "I suggest the traffic police deal with ALL traffic offences and give the overworked police more time to deal with crime. At the moment they are wasting precious time. When you go to the traffic department to complain about dangerous drivers they send you to the police station."



joint...

COMPANIES

Govt, business 'ignore black auditors'

Patrick Wadula

(170) (218)

THE private sector and government were generally not following the example of black-owned companies and parastatals by taking on black auditors, with fewer than 2% of the state consultancy budget going their way, black accounting firms said.

Nkonki Sizwe & Ntsaluba Ebony Financial Services national managing partner Sizwe Nxasana said the private sector was still sceptical of black accountants and was not actively supporting empowerment in the sector.

"If white companies were doing well before with the big six accounting firms, maybe they see no reason to offer business to emerging firms."

However, black-controlled New Africa Investment, Real Africa Invest-

(50 30/8/96)

ment, Worldwide Africa and Tsogo Sun, a gaming and entertainment consortium — had taken on black auditing firms, as had Telkom, Transnet, Eskom and KwaZulu-Natal Transport.

"There is still a lot to be done by government because less than 2% of the national budget for consultancy is allocated to black accounting firms," Nxasana said.

KMMT Brey chairman Moses Kgosana said black accounting practices needed to build up the resources and skills to match those of the "big six" established firms and be able to handle large clients.

He said KMMT Brey, which was represented in Johannesburg, Durban, Port Elizabeth, Kimberley and Cape Town, planned to expand to Mmabatho, Bloemfontein and Pietersburg.

Essentially an... in the new... the... programme, and the majority... witness, for producer... and Queens Gardens, 12.

Affirmative action 'demoralising for police'

AT 30/5/96 (76)

PUT police force affirmative action on hold, execute or castrate rapists and wake up SA, callers suggested yesterday.

Ms Marjorie Higgs, Gardens: "Islamic fundamentalists are out to rule the world and in the guise of religion are rapidly gaining a foothold. One is reminded of the Lockerbie air disaster (still no conviction as the men concerned are safe inside their own country Libya), the explosion in the World Trade Centre in New York and, possibly still to be disclosed, the explosion aboard Flight 400 in New York. Why is SA allowing into this country Muslims trained as terrorists in Afghanistan, Libya and Iran, with unlimited funding from oil-rich countries? Wake up South Africa, before it is too late."
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CRIME/LAWS
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0800 9622 993
11am - 1pm

going to. We see this happening on television all the time."
Mr Lester September, Lansdowne:

Mr McCree, Elsie's River: "The government is spending such a lot of money on so many things, why doesn't it spend money on catching the drug dealers? We're not worried about Pagad, we're worried about the dealers. Why can't the police make deals with these guys and then catch them? Then they'll find out where the drugs are coming from and where they're

Mr Lester September, Lansdowne: "With regard to Pagad's Olympic bid ultimatum on the front page yesterday, they are going about it the wrong way. There are no real quality facilities for kids and family entertainment in Cape Town right now and I believe the Olympic bid process will provide these much needed facilities."
Mr John Boakes, Table View: "I suggest the traffic police deal with ALL traffic offences and give the overworked police more time to deal with crime. At the moment they are wasting precious time. When you go to the traffic department to complain about dangerous drivers they send you to the police station."

- (1) Whether an inquest has been or is to be held into the death of a Transkeian policeman during the police blockade in Umtata in February 1995; if not, why not; if so, when;
- (2) whether he will make a statement on the matter? N1191E

The DEPUTY MINISTER FOR SAFETY AND SECURITY:

- (1) No. A murder case docket was opened and is still under investigation. Ballistic reports and statements of suspects have not yet been obtained. The docket will be forwarded to the Attorney-General upon completion.
- (2) No.

Election strategy

*9. Mr M F CASSIM asked the Minister of Home Affairs:

- (1) Whether his Department has evolved or intends evolving a strategy with a view to obviating (a) long queues at polling stations, (b) the slow processing of voters and (c) delays in starting the counting of votes after elections administered by his Department; if not, why not; if so, what are the relevant details?
- (2) whether he will make a statement on the matter? N1192E

The DEPUTY MINISTER OF HOME AFFAIRS:

- (1) The Electoral Commission as proposed by the Electoral Commission Bill at present under discussion by the Portfolio Committee on Home Affairs will be responsible for the managing of future elections, and matters such as those raised in this question will consequently be dealt with by that Commission.
- (2) No.

120 Plein Street: refurbishment of auditorium

*10. Mr D H M GIBSON asked the Minister of Public Works:

- (a) What was the cost of the refurbishment of the large auditorium at 120 Plein Street, (b) who selected the décor, (c) to whom was the

tender granted, (d) what other companies or businesses submitted tenders and (e) on what grounds were the tender bids evaluated? N1193E

The MINISTER OF PUBLIC WORKS:

- (a) R757 094,06
- (b) Mr J T Nel
(Interior Designer for the Department of Public Works)
- (c) Delta Interiors
(Supply and delivery of chairs)
Delta Interiors
(Reupholstery of chairs)
D'Ambrosio Brothers
(Upgrading of auditorium—building work)
- Steve Gerber
(Electrical installation)
- Avicom
(Audio installation)
- (d) Upholster All
Castle Contracts
Offcentre
Schellema and Company
CA Electrical Works
South African Phillips
Pro Systems

- (e) The lowest tenders were accepted in all instances.

Attorneys-general: investigations reopened

*11. Mr A J LEON asked the Minister of Justice: Whether any attorney-generals' offices have reopened investigations into any cases as a result of testimony presented to the Truth and Reconciliation Commission; if so, what are the relevant details in each case? N1194E

The MINISTER FOR PROVINCIAL AFFAIRS AND CONSTITUTIONAL DEVELOPMENT (for the Minister of Justice):

Yes, the Attorney-General, Cape Town has, as a result of evidence given before the Truth and Reconciliation Commission by a father in connection with his son's death on 3 November 1985, re-studied the documents of an inquest (No 22/87, Worcester) and decided to prosecute

constable M P Luff in the Regional Court on a charge of murder.

Employment equity

*12. Mr K M ANDREW asked the Minister of Labour: (176)

- (1) Whether a group of experts has been appointed to draft an affirmative action employment equity Bill or a similar document; if so, which persons have been appointed;
- (2) whether any members of the group have direct personal experience in business management; if not, why have no persons with such experience been appointed; if so (a) which members and (b) what is the direct personal experience in business management of each such member? N1195E

The MINISTER OF LABOUR:

- (1) The Department has not yet appointed a team to draft the proposed Bill on employment and occupational equity. However, on 22 May 1996 the Cabinet approved the appointment of a drafting team to draft an employment and occupational equity Bill. Some discussions on the possible composition of a team have been held, but no appointments have been made as yet, and I will issue a statement in this regard once this is finalised.
- (2) We are still receiving submissions and comments on the Green Paper. Only once that process is complete do we plan to appoint the drafting team. An announcement will be made in due course. Naturally, in establishing such a team, we will ensure that it comprises individuals with the requisite combination of legal, economic and employment equity expertise.

Dumping of classified military documents

*13. Mr D H M GIBSON asked the Minister of Defence:

- (1) Whether any investigation into the dumping of classified military documents at a paper dumping site in Pretoria has been undertaken; if so,
- (2) whether this investigation has been concluded; if not, when is it anticipated that it

will be concluded; if so, what was the result of the investigation;

- (3) whether action has been taken against any persons involved; if not, why not, if so, what action? N1196E

The DEPUTY MINISTER OF DEFENCE:

- (1) Yes, an investigation was undertaken.
- (2) The investigation was completed on 4 April 1996. Although military documents had been dumped, they were under the control of the Programme Manager of Armscor, who neglected to follow correct procedures with respect to the removal and destruction of such documents after the completion of a project.

- (3) Yes. The Programme Manager responsible for the breach of security appeared before an Armscor Disciplinary Committee on 18/19 April and was found to be guilty of negligence. He was sentenced to a reprimand and a letter to that effect was placed on his personal file.

Business interrupted in accordance with Rule 199(3) of the Standing Rules for the National Assembly.

Electricity: Koeberg power station/coal

*14. Mr J A JORDAAN asked the Minister for Public Enterprises:

What is the current unit cost of (a) the production of nuclear-powered electricity at the Koeberg power station and (b) coal-powered electricity? N1197E

The MINISTER FOR PUBLIC ENTERPRISES:

- (a) and (b) Every power station has a different cost structure depending on fuel supply, location, age, water use, etc. It costs Eskom between 2,5 and 7,7 cents per kilowatt-hour to generate electricity, depending on which of the 11 large power stations is considered. Koeberg's generation cost is 5,1 cents per kilowatt-hour, which places it towards the more expensive end, although it is certainly not the most expensive. If the advantage of having Koeberg in the Western Cape is added (thereby avoiding transmission losses) then the effective

A big deal for affirmative action

(176) 07919196

THE MUCH-HERALDED Johnnic deal will do much for top-down affirmative action but, **DICK USHER** argues, it remains to be seen what difference the change of ownership will make on the shop floor.

IN ONE of those happy coincidences that make life easier for commentators on affairs, the Johnnic deal closed right on the deadline for comment about the government's employment equity green paper.

While there has been much ecstatic comment about what the Johnnic deal means for black empowerment, most of it has focused on the shift in ownership of a strong segment of the South African economy without really making much noise about how this is going to assist the thousands of workers employed in the companies of which the National Empowerment Consortium (NEC) has taken control.

There seems to be some kind of implicit assumption that because the NEC has a trade union component and probable future Johnnic chairman Cyril Ramaphosa has strong union links, the workers should be jumping up and down with joy. It remains to be seen what difference the change in ownership will make on the shop floor.

But almost certainly, with strong direction from the top, there shouldn't be many problems with implementing the kinds of changes that the green paper envisages.

The paper's basic focus is on:

- Eradication of unfair discrimination of any kind in hiring, promotion, training, pay, benefits and retrenchment, in line with constitutional requirements.

- Measures to encourage employers to undertake organisational transformation to remove unjustified barriers to employment for all South Africans, and to accelerate training and promotion for individuals from historically disadvantaged groups.

Overall, the aim is to reduce inequalities while fostering greater productivity and economic growth, both of which are goals without which there cannot be economic empowerment to complete democratisation.

After all, it has long been recognised that the inequities of apartheid, acting as structural barriers to growth, have resulted in serious bottlenecks in the economy.

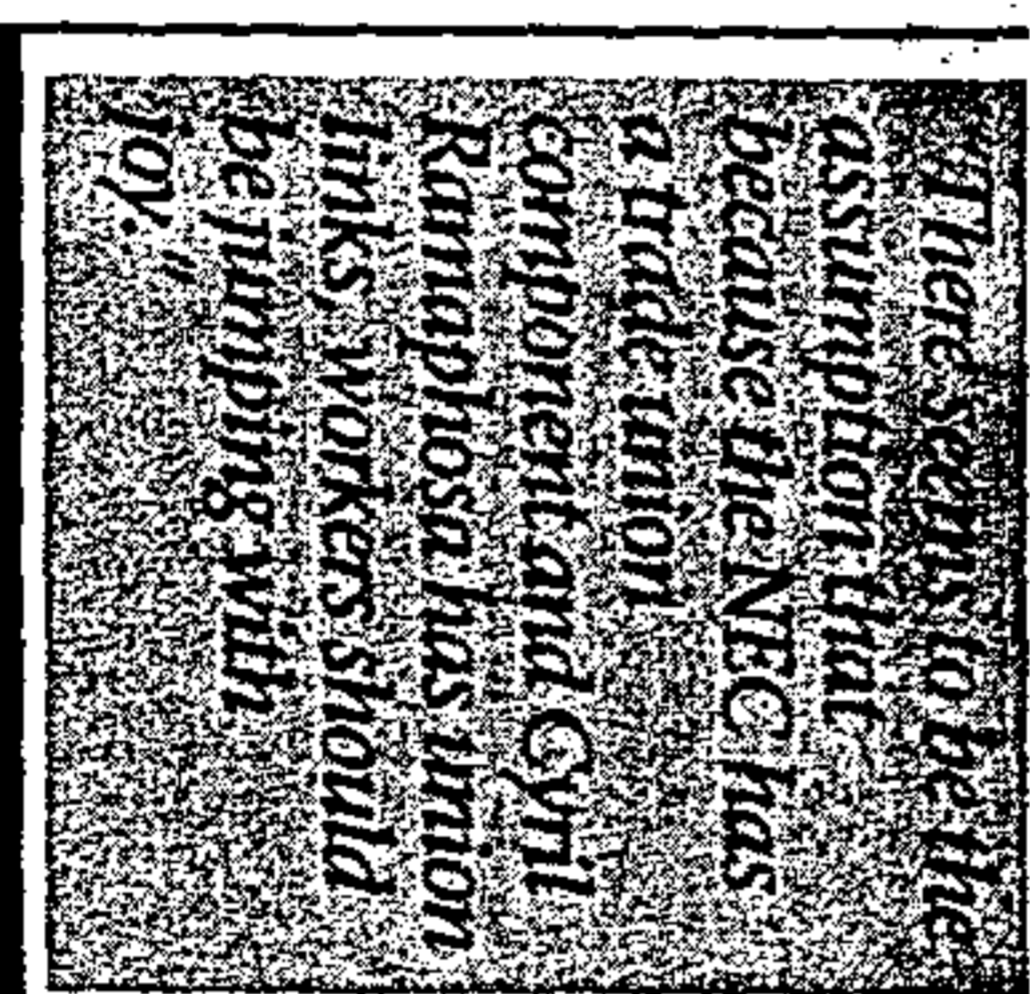
That said, it is to be hoped that proposals and comments on the paper will result in several changes when it returns to public view as a draft bill, because there are several flaws in the paper as it stands. One problem is that it is an essentially voluntarist document.

While much of what it proposes is likely to end up in legislation, or in codes of good practice drafted by the Manpower Department's Directorate for Equal Opportunities, it has not given

itself many teeth. Suggested incentives for compliance include getting tenders for government and parastatal contracts, or subsidies such as training grants.

At this stage sanctions for non-compliance reach as far as "imposition of fines".

It is quite possible that if this is not taken any further, some organisations could quite cheerfully bear the cost of fines and continue operating without any attempt at employment equity.



It will be interesting to see whether the draft bill takes any further the green paper's threat of developing "substantially stricter penalties ... where a pattern of non-compliance can be discerned".

Such patterns would include repeated cases of proven discrimination or continued failure to develop acceptable employment equity plans.

It also seems somewhat problematic that the paper is thin on definitions of what are "historically disadvantaged groups".

We all, in a way, know who they are. They are the people who got shafted by apartheid. Which is all very well as long as you are talking in generalities, but if you start looking a little closer it is not so easy.

Black people, generally, were disadvantaged by apartheid, economically, socially and politically. But it did not stop some (not many, but more than a few) doing quite nicely one way or another, amassing wealth of which many in the "advantaged" group would be quite envious.

Who then would be the "historically disadvantaged" in a situation where the son of a Soweto millionaire was in competition for a job with the self-educated son of a white welder?

It may be that individual cases of injustice will be unavoidable in redressing the mass injustices of the past.

And there is also the anticipation that individuals of energy and worth will find their way through barrier to advancement. It is, after all, likely to take at least a generation before inherited privilege starts eroding seriously.

However, the Johnnic deal is likely to signal a great leap forward in real affirmative action — as opposed to the tokenism of some — ahead of any legislated measures.

Although this will be top-down change, new policies directed at full economic empowerment will surely have to flow from the new owners.

□ *Dick Usher is the former editor of SA Labour News and has been reporting on labour issues for more than 20 years.*



WHAT'S NEW? Former Cosatu chief and Johnnic's most likely new chairman, Cyril Ramaphosa, will have to make the difference to thousands of workers employed in companies of which the National Empowerment Consortium has taken control.

Blacks to become train drivers

(176)
~~276~~

*sowetan
10/9/96*

Metrorail programme is aimed at addressing past imbalances

By Shadrack Mashalaba

METRORAIL HAS BEGUN its first intensive programme to train blacks to become fully fledged Metro train drivers - a move aimed at addressing previous imbalances.

According to Metrорail, the first group of 35 blacks started their training last week.

Metrорail says the introduction of the programme is a move to address past imbalances. This move will see about 180 blacks being trained as train drivers by the end of the company's financial year.

Previously, train driving in South Africa was the exclusive preserve of whites. Until recently some blacks had been driving goods trains.

Metrорail senior manager of train services Mr Charles Erasmus says the training, which will comprise theoretical and practical training, will take place in Johannesburg, Pretoria, Durban and Cape Town.

The theoretical training, according to Metrорail, is expected to be completed by the end of December this year.

Metrорail communications officer

‘Previously train driving in South Africa was the preserve of whites’

Mr Bintu Petsana says she expects the trainees to be behind the wheels by the end of April next year.

“On completion, drivers will be deployed on major metropolitan areas where training is being conducted. Negotiations on how to fill the remaining 145 candidates are still on track,” she says.

The programme comes as a result of an historic agreement reached with the South African Footplate Association (Safsa) last year.

In terms of the agreement, potential train drivers will no longer be required to have at least two years of goods train driving experience before driving Metro commuter trains.

Petsana says it will be necessary for the organisation to look outside Spoornet to fast-track their recruitment exercise.

JOERNAAL BERT

Black empowerment wins at Tongaat-Hulett

By Shirley Jones

Durban — The Tongaat-Hulett group, one of the biggest investors in the country, is blazing a trail for black empowerment.

Cedric Savage, the managing director, said last week that the company had facilitated black-empowerment motivated deals worth about R1 billion since 1994 and had 20 more in the pipeline.

He listed the sale of Supervision Food Services to the Kagiso Trust and Khulani Holdings for R66 million, medium-scale farming projects worth more than R44 million, the Mount Moriah housing project worth between R100 million and R480 million and pending property deals worth almost R800 million.

Savage said non-core activities had been outsourced to black-owned small businesses and totalled R140 million during the past financial year. Outsourcing this year would be worth more than R170 million.

He said Tongaat had developed a realistic value system and code of ethics as far as black empowerment was concerned: the prime objective should always be to increase earnings a share while conforming to the new value system.

"Business can and is playing an important role in black empowerment either directly through investment or contracting out, or through acting as an important facilitator in the process. Business, being practical by nature and close to markets, is often first to see the relevant opportunities and instigate and accelerate the process," he said.

However, he said appropriate black empowerment deals should benefit all concerned. "The programmes must work and be successful. We are not prepared to enter into projects unless they have a very high probability of success. They must lead to skills and expertise transfer and they must not result in black enrichment for the few and black impoverishment for the many. Therefore, they must be broadly based," he said.

He said the choice of business partners in black empowerment deals depended on the circumstances of each deal. But he questioned the roles of investment com-

panies formed by trade unions.

"Investments by trade unions in businesses on the assumption that the investment will yield increased earnings and dividends can lead to potential conflict, especially if those businesses require a more flexible labour policy to achieve the desired financial results," Savage said.

He said that though business and the government's proposals for economic growth and black empowerment were broadly in agreement, those of organised labour differed in many aspects, particularly in the need for rapid economic growth as measured by GDP, cutting the budget deficit and privatisation.

"We believe there cannot be growth, job opportunities and sustainable empowerment without investment. World experience has proved that again and again.

"The alternative is continued downsizing and retrenchment," he said.

However, he emphasised that the country needed to be more investor friendly and unhindered by crime, the high cost of capital and exchange control problems.

He said projects in South Africa had to be economically feasible by world standards if the country wanted to

entice foreign investors away from other alternatives.

"It's a fact of life that companies in South Africa have to be world competitive to be locally competitive because the international competitors are already in our own backyard. International competition is proving ruthless, it is colour blind. It doesn't care about domestic ideologies or the loss of jobs.

"Generally, the large capital-intensive businesses in South Africa have recognised this and have been adapting relatively quickly by investing in modern technology and state-of-the-art plant and equipment. Compared to capital-intensive industries, the labour-intensive industries in South Africa have been adapting relatively slowly.

"It is not just overseas countries that we have to be concerned about. Neighbouring countries in Africa are becoming an increasing threat to unskilled jobs in South Africa."

'Projects must not lead to enrichment of the few and impoverishment of the many'

State tenders to favour blacks and women

Star 12/9/96 (176) (176)

The number of black, Indian, coloured and female co-owners of a business could become a decisive factor in Government's granting of tenders, the State Tender Board said yesterday.

In a statement in Pretoria it said Finance Minister Trevor Manuel recently approved the introduction of a points preference system aimed at helping historically marginalised businesses compete favourably for State tenders.

"In terms of this system, price will count 88 points, company equity owned by previously disadvantaged individuals 10 points, and company equity owned by women two points," the statement said.

The contract would be awarded to the applicant who scored the most points.

"It is therefore now possible that contracts will not be awarded to the lowest bidder in price but to the most responsive tender as far as the princi-

ples outlined in the points-preference system are concerned," the statement said.

This system would, however, only be applied to contracts worth R2-million or less.

Manuel also approved the introduction of an "affirmative procurement" policy within the Department of Public Works which awarded tenders for building and construction services. Reporting on the progress made by a 10-point plan to date, the board said national Government departments had been instructed to compile databases of small businesses.

These businesses should be approached on a rotating basis, whenever services valued at less than R20 000 were needed.

Requirements of more than R20 000 should be advertised in the Government Tender Bulletin to make it widely known, thereby enabling emerging businesses to tender. - Sapa.

Law to ban workplace bigotry

Sowetan 12/9/96

By Gerry Reilly

There has to be a freer flow of information from Government to workers so that workers are made aware of their rights.

LEGISLATION banning discrimination at the workplace and requiring employers to conform to the Government's employment equity plans will be tabled in Parliament early next year.

So says the head of the Labour Department's equal opportunities directorate Mpho Makwana.

A draft Bill is scheduled to be completed by the end of this month. Based on a Green Paper published in July, the Bill's objective is to open channels for advancement closed to blacks for generations.

"It will revolutionise an intolerable system which has consigned black workers to an inferior status in the labour market.

"We will strive for a balance between sanctions and incentives to encourage employers to cooperate in implementing the equity plans," he says.

The Bill will set out employment, training and development standards as guidelines for employers.

The apartheid baggage that forced black workers to the bottom rung of the earnings ladder would be dumped.

Makwana says the legislation will be the catalyst to drastically reform a rotten racial system which still persists widely in the white-dominated private sector.

He promises what he terms "unpleasant consequences" for employers who failed to cooperate. However, the Government, wherever possible, will avoid being prescriptive unless circumstances dictated otherwise.

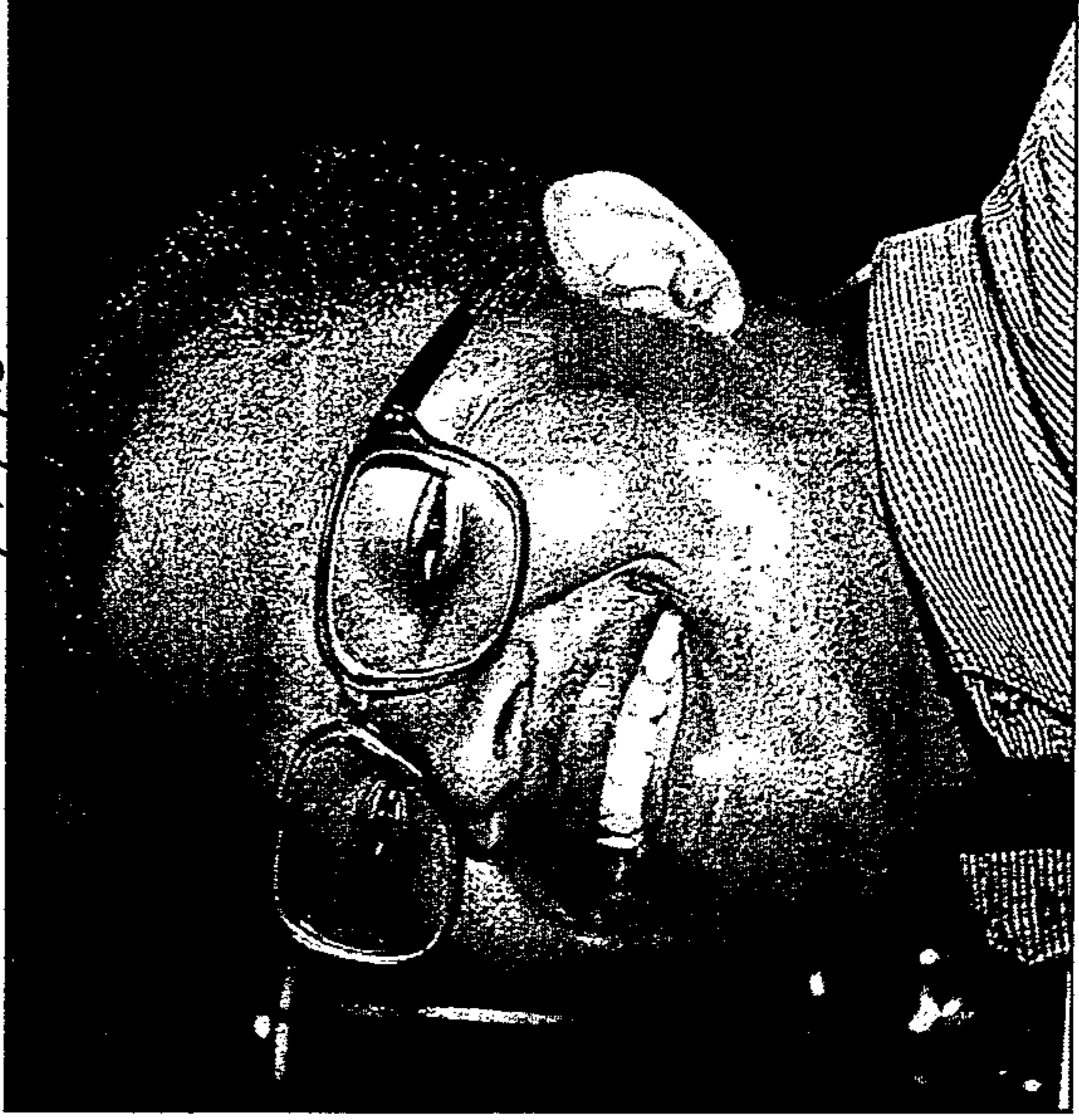
On the other hand, the legislation is not going to be the panacea for all the evils of past discriminatory policies.

A glaring gap in income distribution in South Africa demonstrates that there are no quick fixes.

He says the policy will be sustained until all vestiges of economic deprivation have been removed.

Progress, or lack of it, would be monitored.

The extent to which a company promotes the employment equity policy, says Makwana, will become a factor in the awarding of Government and parastatal contracts.



Mpho Makwana promises tough action against those who do not conform.

Competency 'vital in affirmative jobs'

SD 13/9/96

(176)

CAPE TOWN — A first draft discussion document on affirmative action within Parliament's support services proposes that special measures be taken to appoint people from previously marginalised groups, and that the concept of merit be "reframed" as a criteria for promotion.

The document is still to be debated by Parliament's transformation committee and has yet to be made public.

While black people would be the primary beneficiaries of affirmative action because of past discrimination, the document says token appointments should be avoided. Black people should be hired on merit and potential, "as competency will be fundamental".

Women and the disabled would also be targeted for affirmative action.

The document says it will be necessary to "reframe the concept of merit and attach a different set of criteria to it, such as understanding of policy, ability to work in a diverse team and others which are more in line with the mission of parliamentary services".

Parliamentary support services had already set targets for affirmative action and the criteria for recruitment, selection and promotion had been reformed and improved.

"However, they are still based on a rather narrowly defined, culturally determined and exclusive view of qualifications, experience and achievement, rather than a broader and more inclusive view of relevant competencies."

The document warns that a number of factors may hinder implementation of

the policy. The prioritisation of affirmative action may be viewed also as a sacrifice of efficiency and effectiveness.

People who do not see themselves as beneficiaries of affirmative action could feel threatened by it, and this could affect their morale.

"Affirmative action may be seen as a form of reverse discrimination in which people are penalised for being of a different race or gender."

The document stresses that parliamentary support services need to develop "a positive but unapologetic institutional mindset towards affirmative action as a mechanism for redressing past imbalances". It must develop also management and working practices that would respect and see value in the diversity of its work force. — Sapa.

Children jailed due to 'misinterpretation'

SD 13/9/96

(23) (23)

Linda Ensor

CAPE TOWN — A misinterpretation of Section 29 of the Correctional Services Act by magistrates had contributed to the high number of children being detained in prisons, Deon Rudman, the justice department deputy director general, said yesterday.

He was speaking after the first of a series of nationwide workshops with magistrates and other role players which aimed to improve the system of juvenile detention.

Rudman said many magistrates

held the mistaken belief they were not obliged to see children every 14 days once they had been convicted but only before they were sentenced. Also, they sometimes had children detained in prison when the offences were not serious enough to warrant this.

For instance, many of the 150 children held in Pollsmoor prison were not supposed to be there. The workshop decided to appoint a team to investigate the situation at the prison.

Proper implementation of Section 29 of the Act, which related to the detention of children, had been delayed by

the lack of accommodation in places of safety, both in the Western Cape and elsewhere, Deputy Housing Minister Mantho Tshabalala-Msimang said.

She said Justice Minister Dullah Omar would appoint a project committee under the ambit of the SA Law Commission to develop a juvenile justice system and to evaluate the Act.

There was a need for children's cases to be given priority by the courts and for the work of several departments, including justice, welfare, education, correctional services and police, to be co-ordinated to deal with the problem.



FIRST An elated Jacob Mathivha after being appointed the first black commuter train driver on Friday.

PHOTO: JOHN WOODROOF

Black driver makes history

176 CT(BR)24/9/96

By Thabo Leshilo

Johannesburg — Jacob Mathivha has been appointed the first black commuter train driver by Metrorail, a division of Spoornet.

Mathivha becomes the first black train driver since the introduction of the railway system in South Africa in 1860.

Charles Rasmus, the senior manager for train services at Metrorail, said yesterday that 34 other black commuter train drivers started training this month. Metrorail has earmarked 180 new positions for blacks. It has 700 commuter train drivers in Durban, Cape Town, Johannesburg and Pretoria.

Mathivha was certified the first black commuter train driver on Friday. This was after he had met requirements of all the theo-

retical and practical modules for the course.

Willem Oudshoorn, his trainer, will accompany him on trips until he is fully familiar with his routes, which include Germiston, Alberton, Tembisa, Johannesburg, Vereeniging, Katlehong and Pretoria.

Mathivha, a former school teacher in Vreda, joined the railways in 1982. After passing an aptitude test, he was appointed a fireman, which meant hard and dangerous work, stoking the furnace of steam engines, sometimes shovelling up to 8 tons of coal into the boiler a day.

After eight years, Mathivha became a learner train driver, having studied in his own time for the examination. He became an operating driver at the end of 1993, meaning that he had satis-

fied all the theoretical and practical requirements to become a train driver.

His big break came in December 1994 when he was appointed a goods train driver in shunting yards. He later heard that Metrorail wanted to train black people as trainee passenger train drivers. He then sent in an application and got the position four months ago.

Mathivha says he already enjoys his new job. "It pays a living wage. A man can afford a car and a house," he said.

He is also encouraged by the reception he has received from black commuters. "They were initially puzzled to see a black man behind the controls of a train for the first time. Now, many say it is about time the change happened," he says.

(176) ~~172~~ ST(BT) 29/9/96

Male and white managers hanging in there

AFFIRMATIVE ACTION
By THABO KOBOKOANE

THE management of SA corporations remains mostly male and white, says a study by the University of Cape Town's Graduate School of Business.

According to the survey, the September 1996 Breakwater Monitor, only 4,72% of managers are black.

This is marginally higher than the 3,77% reported in May last year and 2,33% in October 1992.

White managers remain in charge, accounting for 89,6% of the top managers serving companies surveyed by the GSB, while coloureds and Indians account for 6,1% of the total. Women also have a lot of catching up to do — they make up only 12,29% of top management.

The Breakwater Monitor study, considered the most authoritative in South Africa, is a national human resource database started by UCT and SA business in 1991. Its purpose is to provide labour market information, with emphasis on monitoring the implementa-

AFFIRMATIVE ACTION: MANAGEMENT

	WHITE	BLACK	COLOURED	ASIAN
September 2000 (forecast)	53,46%	32,77%	6,89%	6,88%
September 1996	89,54%	4,72%	2,59%	3,05%
September 1994	90,87%	3,77%	3,03%	2,16%
October 1992	93,36%	2,33%	2,47%	1,61%

GRAPHIC: DONA KRISCH SOURCE: UCT GRADUATE SCHOOL OF MANAGEMENT

tion of affirmative action.

The 1996 report, based on patterns of employment in South Africa between October 1995 and March 1996, represents about 107 leading public and private sector corporations employing about 843 000 people.

The study says it is only now that clear patterns of change are emerging. "In many cases these trends reflect a positive rate of change in organisations, but there are those that have clearly not made much effort.

"Changing the overall skills capacity of the SA workforce remains a major challenge and will require companies to develop a more coherent strategy and a positive approach to education and

training," the report notes.

Last year the study said that if current trends continued, 33% of managers would be black by 2000 but only if the total management pool increased or white managers left their positions.

Most black organisations, in particular the Black Management Foundation, have criticised the pace of affirmative action.

Some parastatals have embarked on restructuring measures to reflect the country's demographics more fully.

This week the Development Bank of Southern Africa announced it had slashed its management pool to 20 from 75 as part of its internal transformation process.

Alarm at 'misguided' affirmative action

(176) ARG 5/10/96

CHARLENE CLAYTON
PROPERTY EDITOR

The "misguided" application of affirmative action by local authorities is a cause for concern, according to the outgoing president of the South African Association of Consulting Engineers, Cliff McMillan.

In his president's annual report, Mr McMillan records that affirmative action and empowerment was a major issue affecting members over the past 18 months.

He says the association's contribution to the Department of Public Works's pilot roster system ensured that certain fundamental principles were included in the system.

"While key national clients such as the Department of Public Works, the Department of Water Affairs and Forestry and the Department of Transport were committed to these principles, inefficiencies in implementation together with misguided application of affirmative action, particularly at local level, were major causes for concern," he said.

"Our members find that decisions are often made arbitrarily - and apparently unfairly - without any regard to the principles.

"There is grave concern that tokenism and fronting will undermine the system and create the impression that race is the primary criterion in consultant selection",



Coming and going: Ian Strickland replaces Cliff McMillan as SAACE's president

he said.

As a result, the association had developed its own strategy on empowerment and guidelines for the appointment of consultants.

"By developing a consensus around these strategies, it is the intention to influence other clients to base their consultant selection on sound principles," he said.

South Africa was facing a severe skills shortage as experts were leaving the engineering profession, said Mr McMillan.

As the economy expanded and infrastructure projects increased, the skills shortage would become more evident.

He highlighted the declining technical capacity of local authorities as an issue of major concern.

In response to the uncertain environment experienced over the past year, the association has identified 10 strategic tasks.

These include a new code of conduct with revised disciplinary procedures; a restructuring of its rather cumbersome system of committee structures; adapting staffing and systems to respond directly to the business needs of members and support public sector institutions by making staff available to clients, particularly local authorities, to assist in capacity building.

Mr McMillan said the association had had a very active and successful year in which the organisation had clarified its strategy and improved its relevance to members.

Ian Strickland was appointed the new president of the association.

SABC boss linked to attempt by elite group to form Africanbond that will influence top job appointments

The black



SISULU



MOSENEKE



MACOZOMA



NCUBE



NKUHLU



VUNDLA

'Broeders'

(176) ST 6/10/96

By CRAIG DOONAN

The minutes, he said, had been "captured by Wendy". The only person on the list with that first name is Wendy Luhabe, a black empowerment consultant who is married to Cosatu boss Sam Shilowa.

The minutes state that the group had committed themselves to meeting on the third Sunday of each month to explore:

- Serving as a think-tank to respond to the challenges of transformation;

- Providing appropriate and strategic support to ministers, directors of strategic organs of transformation and professionals placed in leadership positions;

- Developing to become a behind-the-scenes Africanbond, with a clear agenda and strategy;

- Defining areas where they needed to support each other and decision makers in both commerce and government;

- Defining areas where they would influence "what needs to be achieved" including executive strategic appointments, procurement practices and presidential delegations travelling abroad.

Mthembu said this week the group was "a public forum of people getting together to share ideas about the economy and to touch on political direction".

"I don't think there's anything sinister in that."

Asked about the reference to an Africanbond, he

A GROUP of top black business executives is planning to form an Africanbond which, like the Broederbond, will work behind the scenes to try to influence appointments to top jobs.

The group includes some of the most influential black leaders in business and society, many of them with strong links to the Black Consciousness movement.

The Sunday Times is in possession of the minutes of a meeting of the group on August 20 which outline plans to develop a "behind-the-scenes Africanbond, with a clear agenda and strategy".

The minutes state that one of the group's aims is to combat "the growing conspiracy against meaningful black participation in extending and leveraging political democracy to facilitate economic and social democracy".

Those invited to the last meeting of the group, which was hosted by New Age Beverages chairman Khehla Mthembu last Sunday, included SABC boss Zwelakhe Sisulu; Transnet managing director Saki Macozoma; Herdbuoys advertising agency boss Peter Vundla; Professor Wiseman Nkuhlu, who is the chairman of Worldwide Africa Investments and the Development Bank of Southern Africa; Telkom chairman Dikgang Moseneke; and Don Ncube, chairman of Real Africa Investments and African Life.

In his letter inviting the executives to the meeting, Mthembu said that to ensure "we are all on the same wavelength" he had attached minutes of the sentiments and thoughts exchanged at an earlier meeting held at Herdbuoys advertising agency on August 20.

Provide appropriate and strategic support to ministers, directors of strategic organs of transformation and professionals who are placed in leadership positions.

Develop to become a behind the scene Africanbond, with a clear agenda and strategy.

Define the areas where we need to support each other and decision makers in both commerce and government.

POWER ELITE . . . minutes of a meeting of top black executives outline their plan to exercise collective influence on the economy and society

said it was "just somebody's idea" but hadn't been confirmed.

Mthembu said not all of those named in the document had attended meetings of the group.

It was coincidental that all those invited to the next meeting were black.

"We never really thought in terms of colour," he said.

A prominent advocate on the list, Kgomoiso Moroka, who serves on the Judicial Service Commission, said the group had first met two to three months ago.

She said the use of the word Africanbond in the minutes "probably reflected some thinking of some members of the group".

"We're at a stage where we're trying to identify what we want to become."

The chairman of the Human Rights Commission, Dr Barney Pitso, confirmed he had been involved in discussions about the forum.

"The idea is to make sure black intellectuals and blacks in business can engage in the totality of South African life and begin to make their presence felt, and to drive the process of transformation and not leave it up to other people.

"It's certainly intended to affect the power relations and make a contribution to transformation. I'm not aware this is like the Broederbond," he said.

Sisulu confirmed yesterday that he had been invited to the meeting but said he had not attended.

"I do not think the idea is to have a Broederbond but to have a think-tank among people who come from common backgrounds and who now confront common problems.

"We can't allow a situation to develop where we can't get together to share experiences."

The chief executive of Kagiso Trust, Eric Molobi, whose name appears on the invitation list for last weekend's meeting, said he had not attended the gathering and was unaware of the group.

● See Page 2

Plans to uplift black managers

(176) Rowenhan 11/10/96

By Isaac Moledl

ENTERPRISE magazine intends to set up an overseas development programme to help young black managers to develop managerial skills.

To realise this objective, says *Enterprise* editor-in-chief Thami Mazwai, the publication intends to

raise R100 000 this year to send two black managers from black-controlled small businesses to a short executive development programme overseas next year.

Support initiative

The African Business Round Table (ABR) has put its weight behind the initiative.

ABR's president Dr James Onobiono is expected to lead a high-powered delegation to this country for the official launch of the fund.

The launch will take place during the *Enterprise* Investment Forum's annual dinner scheduled for the World Trade Centre in Kempton Park on November 30.

'Red Tape' finds Cape brain drain

Civil service is suffering (176)

ANDREA WEISS
METRO CORRESPONDENT

The civil service in the Western Cape is experiencing an unprecedented brain drain due to the "rash" application of affirmative action and rationalisation policies.

This is the view of the "Red Tape" Commission appointed by Premier Hennis Kriel to investigate why development is being delayed in the province.

The commission, chaired by former home affairs minister Chris Heunis, has released a lengthy report covering a wide spectrum of legislation affecting development as well as more general issues such as public consultation and the RDP.

But their views on affirmative action are not supported by one of its members, advocate Nona Goso, who says in a minority report on the subject

that she believes the Public Service Commission has done what it could to prepare people for transformation.

"People in the civil service who have chosen to take early retirement packages have elected to do so. Those who have chosen to stay are happy to live with the transformation process."

The commission's other seven members expressed "deep concern" that some of the "highly qualified and experienced officials" who had assisted them were considering leaving the provincial administration in the near future.

"We sincerely believe that the ability and effectiveness of your administration would be detrimentally affected in this eventuality," it says in the preface to Mr Kriel.

Under comments on bureaucratic structures, the commission notes that "political transformation has led to employment uncertainties, particular-

ly amongst senior officials in government departments".

This in turn has caused low levels of personnel motivation and a "general atmosphere of despondency and dejection".

"The loss of expertise and experience as a result of so many members of staff accepting redundancy and early retirement packages has a negative impact on the administrative capacity and quality of the government service in general," the report says.

"There is an inclination among many civil servants to leave the service as soon as possible. This position is aggravated by the uncertainty of the future flexibility of the gratuities."

The commission says, while it supports the concept of affirmative action, it should be implemented with "care, circumspection and foresight" and not forced upon the civil service to be finalised in the shortest possible time.

ARG 12/10/96

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EXPERIENCED BY WHITES AS REVERSE DISCRIMINATION

FM 18/10/96

(176)

Serves as spur to emigration

Does the future for affirmative action look as troubled as recent reports suggest?

A move in California to outlaw the filling of public-sector jobs on the basis of race or sex looks set to become law. And while SA is preparing itself for legislation next year promoting affirmative action, reports from the workplace indicate opposition to it from whites is increasing.

The problem with affirmative action is that it is a crude policy instrument. Its intention is to help the disadvantaged, to lift them out of the poverty trap caused by past discrimination.

It is, however, mostly framed in racial terms, with little attention paid to gender or other considerations. So organisations wanting to seem politically correct, if only to win government contracts, play the numbers game — as UCT vice-chancellor Dr Mamphela Ramphele puts it, “a blacker-than-thou mentality, with all its divisive dangers.”

She believes affirmative action will have no moral or ethical basis until criteria move from race to geographic and socio-economic disadvantage. Only then, she argues, will public policy intervention have “a more rational basis.”

She is supported by developmental economist Nicky Nattrass, a member of the presidential commission that investigated labour market policy and reported earlier this year. In a dissenting opinion on the commission's observations about affirmative action, she talked of “the complex network of power differentials within SA society. Racial cleavages are cross-cut with rural-urban, gender, class, regional and cultural divides which complicate the nature of disadvantage and discrimination.”

A sense that corporate affirmative action programmes have not been adequately thought through may well explain mounting scepticism towards them.

FSA-Contact, which provides remuneration information to corporate clients, produced its fourth annual study of affirmative action recently. Its most notable feature is that more than half the responding companies report growing opposition from white managers to racially based affirmative action programmes. That is because whites working under them feel such programmes are a form of reverse discrimination.

management posts filled by blacks barely increased over 1993-1996. The targeted increase three years hence for both categories is, however, ambitious — 85% for senior managers and 68% for middle managers to bring their representation to 14% and 15% respectively.

Whites, in short, are already feeling the job squeeze and are likely to feel it far more during the coming years. Which helps explain the emigration not only of those whites in the first decade or so of their careers but also, according to executive search firms, of those who, at the age of 40 or older, have climbed some way up the corporate ladder and will, therefore, lose a lot through emigrating.

They are quitting SA in significant numbers because they see poor career prospects in this country, along with frightening levels of violent crime and declining standards of public education and health.

However damaging the loss of their skills, an increasing number of companies are pursuing race-based affirmative targets for strategic business reasons rather than, as in earlier years, to overcome the effects of past racial discrimination.

In other words, it makes sense to employ more blacks in human resources and marketing and sales when the complexion of both the work force and the market is getting blacker. And indeed, FSA-Contact's responding companies report those are the most successful areas for affirmative action, from senior management to professional level, though blacks also shape well in finance, manufacturing and information systems.

It has to be asked, therefore, whether there is any need for racially defined affirmative action programmes, let alone legislation to put pressure on organisations to adopt and implement them. Significantly, the number of companies telling FSA-Contact they have no affirmative action policy is now, at 18%, three times higher than it was last year. That has caused the proportion which have formal



Mamphela Ramphele . . . race too crude an indicator of economic disadvantage

Statistics provided by respondent companies validate that feeling. Though there has been little increase in total employment figures in recent years, the proportion of general staff jobs occupied by blacks has risen by 50% since 1993 to 23,5% and the declared target is to raise it by a further 62% during the next three years.

The increases are even more dramatic in the case of managers and professionals (nonmanagerial employees with a degree). The proportion of the latter represented by blacks has more than trebled since 1993 and the aim is to more than double the present figure by 1999 to reach almost 40%.

The proportion of senior and middle

policies to shrink from 67% to 56%.

The Green Paper on employment and occupational equity, published in July, certainly treads warily. It rejects the Black Management Forum's demand for quotas in favour of goals and timetables set by companies themselves. What it wants to see is accelerated recruitment, training and promotion of blacks and other disadvantaged groups to achieve more equitable representation of them and to develop organisational cultures that welcome diversity.

The Green Paper does not explain why "diversity" has an inherent value and many organisations would deny it does. They have developed a profile of their typical employee and recruit and promote in line with it.

It's doubtful, too, whether those describing the beliefs and values that define African culture will persuade whites sceptical about blacks' ability to perform reliably and well.

For example, Mike Boon's recently published *The African Way* explains the importance to Africans of ancestral spirits and the need to keep them happy. There is a belief, he observes, in "an external locus of control" in contrast to the Western sense of personal responsibility. Failure to keep the "shades" happy may well explain a series of mishaps suffered by an individual. A visit to a *sangoma* (diviner) is therefore necessary.

This refusal to accept direct personal responsibility gets incorporated into common phrases. People won't admit they missed the bus or taxi. Instead, "the taxi left me" or "the bus died on me."

There is in traditional African society, Boon continues, a rejection of competition among individuals. Being a member of a successful team is what counts.

White sceptics will point to the degenerate exploitation of this attitude to avoid personal responsibility for failure. Black students' demand for "pass one, pass all" is an obvious example.

Then there is the matter of talking rather than getting on with the job. Africans believe they have a right to debate any issue that affects them. That means everyone has his or her say, no matter how long it takes.

Add to that the current fashion for value-seeking consensus. Companies wanting to succeed at affirmative action form racially mixed groups at different levels of the organisation to discuss values so that they can "find" each other and later jointly monitor observation of those

values. Line managers are wont to tear their hair out over the loss of production all that entails.

Perhaps that's why a significant proportion (almost 40%) of FSA-Contact's companies don't even discuss their affirmative action programmes with those who are supposed to benefit from them. A further quarter inspan only union representatives. The survey also talks of "the lack of attention to sensitising employees and preparing the organisational climate for affirmative action" — that is, getting whites on side.

The scepticism over affirmative action

good as blacks generally are at strategic planning ("structuring" in the graph) or at empowering teams ("co-operation"). Nor at relating comfortably with workers at all levels of the organisation ("empathy"). But then, Boon explains, they aren't into *ubuntu* — treating everyone as worthy of recognition and respect.

"What all this indicates," observes Amrop partner Derick Boshard, "is that we shouldn't be pursuing affirmative action as such but the value of cross-racial synergy — bringing together black and white strengths. There are, however, numerical implications in that. Certain figures in

the survey on black executives seem to support other reports that black executives are under considerable stress in what is still a white-dominated corporate world. They are as yet uncertain about what is appropriate behaviour and this tends to inhibit them in certain areas such as decision making. What's needed to overcome that is for there to be a psychologically critical mass of black executives in an organisation so that they don't feel marginalised."

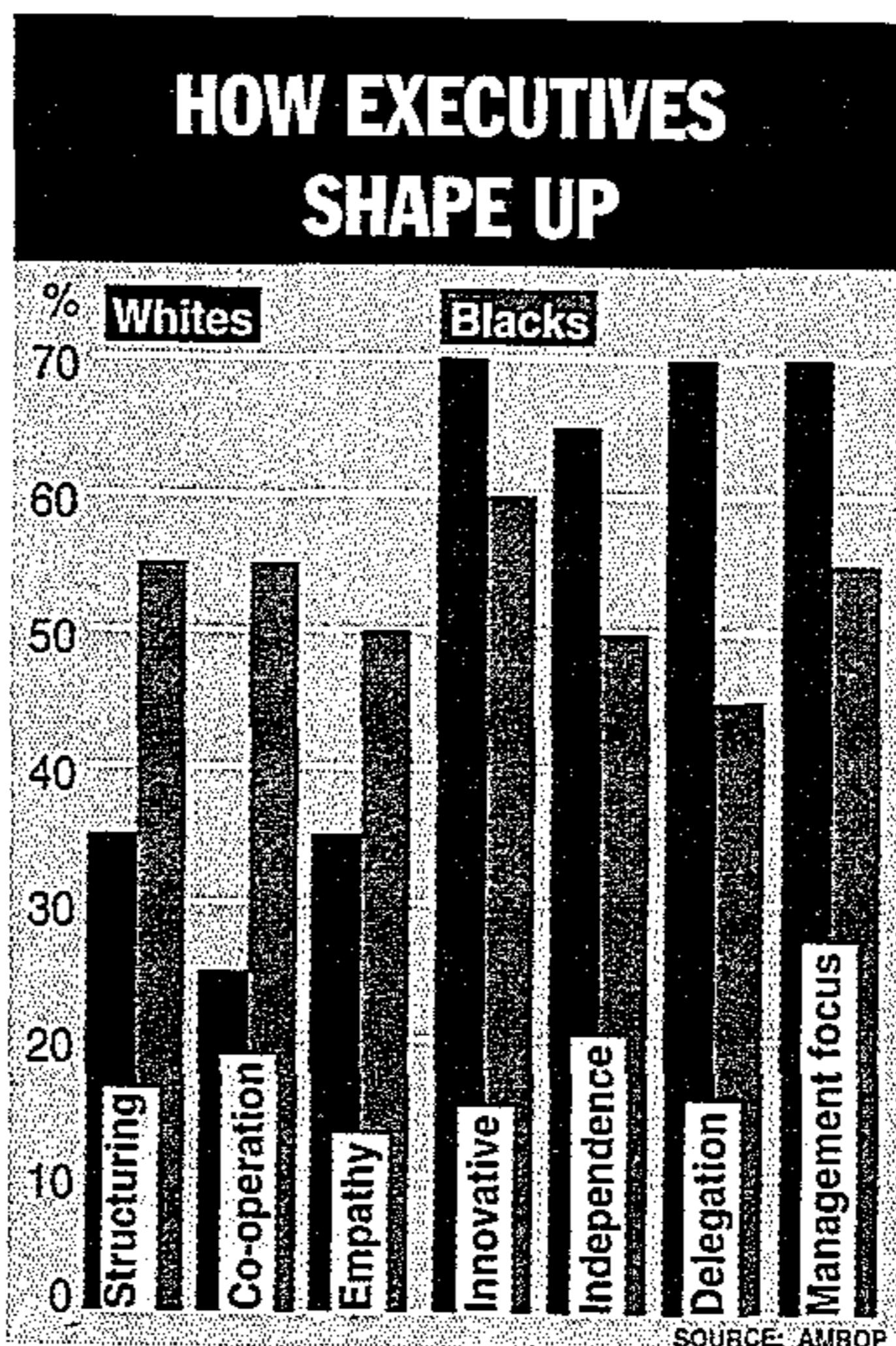
That won't be generally achievable, especially if the economy achieves anything like 6% annual growth, unless many more blacks emerge from tertiary education well enough equipped to take on corporate training. Far more, too, must be spent on such training for employees of whichever race or gender.

Another study by FSA-Contact shows that more than 60% of organisations spend 2% or less of their annual salary/ wage bill on training and development programmes now.

Instead, many of them pay above-average salaries, especially to black recruits who will help their affirmative action programmes look successful.

Official pressure on organisations to boost black recruitment, training and development appears, in short, like failing unless and until government itself delivers the goods. That means an effective formal education system, diminution of crime and a macro-economic policy that really does help the economy to grow.

But then, if those are provided, SA's racial make-up will of itself ensure all levels of successful organisations reflect the rainbow nation. If government fails to provide them, its demands for affirmative action will succeed — but only because whites will have retired or left for greener pastures. ■



this implies is reflected in the fact that most of FSA-Contact's respondent companies rate their programmes only moderately successful, with none claiming a high level of success. The proportion citing a lack of commitment from management to affirmative action programmes rose this year to 49% from 36% last year and those reporting white employee resistance to 71% from 56%.

Yet executive search consultancy Amrop believes there is potentially much value to be obtained by a company developing a multiracial management team. That view is based on the findings of two separate and internationally well validated psychometric tests it has carried out in SA — one on top white executives, the other on black executives at various levels of seniority.

While whites come out looking more innovative than blacks, they aren't as



Reversed racism? African-American scholar Vincene Verdun

White South Africans 'echoing US attacks on affirmative action'

Academic slams 'reverse racism' claims

(176) ARG 19/10/96

MXOLISI MOKASHE
STAFF REPORTER

Claims by whites in the United States that affirmative action is "reverse racism" and must be abolished are as senseless and invalid as similar claims that not all whites participated in the marginalisation of blacks, according to an African-American scholar.

Vincene Verdun of the University of Ohio, who attended a conference on affirmative action at Fort Hare University, was speaking during an interview with Saturday Argus.

Professor Verdun's presentation at the Fort Hare conference dealt with the evolution and devolution of affirmative action in her country.

She said affirmative action faced complete elimination by white Americans.

Opponents of the practice claimed it violated the US constitution and amounted to "reverse racism".

She said the most amazing thing about those leading the campaign against affirmative action was their claims not to have been involved in the enslavement of blacks, in segregation and the lynchings of black people in the South.

Professor Verdun said the same arguments heard in the US were also being heard in South Africa as affirmative action policies were widely implemented by the Government and the private sector.

"White people were now arguing: 'I have not done anything to injure a black person. I didn't discriminate against them and therefore why should I pay by losing

my job to someone who is black?'

"That's not a valid claim because every white did actively participate in the apartheid regime's political system," Professor Verdun said.

They were direct beneficiaries from that system, she said.

"The same applied to white Americans who were also direct beneficiaries from a system that promoted the segregation of black people.

"They supported a systematic oppression of blacks," Professor Verdun said.

She said affirmative action was the most logical thing any government could do to redress the social, political and economic disadvantages that blacks had suffered in the US and in South Africa.

In spite of similar claims made here that affirmative was "reverse racism", black South Africans were more fortunate than their US counterparts because of the country's constitution.

This acknowledged that blacks were a historically marginalised people and that steps needed to be taken to change that.

The introduction of affirmative action in US colleges, universities and in employment had brought about tremendous changes in the lives of many African-Americans.

The number of black college students and graduates had quadrupled between 1966 and 1996.

This had had a great impact on the

growth and emergence of the now prosperous black middle class.

"Liberation for blacks in America came because it was economically beneficial to white folks, not because of equity or social justice," she said.

"What happens when a people had been stripped of all material and most human dignity for 250 years then they are liberated and there is nothing?

"What happened in 1865 when slavery was supposed to have ended? There were no reparations, no enfranchisement, no 40 acres and a mule, no pension paid to the black soldiers, no acknowledgement that

black people were injured by the institution of slavery and that a remedy was in order."

Professor Verdun's arguments on the American experience are echoed in a paper written by the affirmative action advocacy group, the Herr Organisation. The paper is titled *This is not America*.

In the paper, delivered at a recent breakfast workshop, Herr Organisation director Pam Herr says affirmative action is not retribution against whites and coloureds, and it is not discrimination in reverse.

It does not demand the appointment of incompetent people or the unfair advantaging of Africans over all others.

And Professor Verdun concludes her own thesis on the fate of affirmative action in the US by arguing that it was "tremendously unpopular and is on its way out".

She said it would take twice as long to die as it did to get it started, "or for it to peak, so that by the year 2010 it will not exist as we know it in the United States".

**'Liberation for
blacks in America
came because it
economically
benefited whites'**

**'The number of
black college
students has
quadrupled
from 1966'**

If you're a middle-aged white man: Stand up!

By PETER De IONNO

WHITE, grey-haired men in the defence industry were made to feel like "little children" when Public Enterprises Minister Stella Sigcau picked them out about the slow pace of affirmative action.

At a meeting on Friday, Sigcau told some 120 senior managers from Denel and its subsidiaries to produce a radical plan for affirmative action by the end of the year.

"True black South Africans must be taken into the organisation and developed to take over management positions," she told the meeting.

An insider said the meeting was "hushed with trepidation" when she ordered all men with grey hair to stand.

"We felt like little children, but we all stood and waited for the minister to speak," he said.

"We did not know what was happening. Some of us thought she might order us to leave then and there.

"The minister said the next time she spoke she

wanted to see more black faces."

He described the mood as tense as Sigcau warned she would "step in to further the process of change" if she was not satisfied with management proposals.

"Denel is not mirroring the demographics of South Africa," she said.

Seven of Denel's 10 board members are blacks, but most of its senior managers and engineers are white, male and middle-aged.

Executives complain that there are too few

blacks with high-level engineering qualifications to fill top posts in the high-tech industry.

Denel and its subsidiaries account for some 80 percent of the R3,5-billion-a-year industry.

Sigcau announced she would appoint two black deputies to "support" Denel managing director Johan Alberts.

A Denel spokesman confirmed Sigcau had spoken about affirmative action but would not comment further. Sigcau did not respond to repeated requests for comment.

ST 20/10/96

Affirmative action 'a fact'

Nicola Jenvey

(176) 2024/10/96

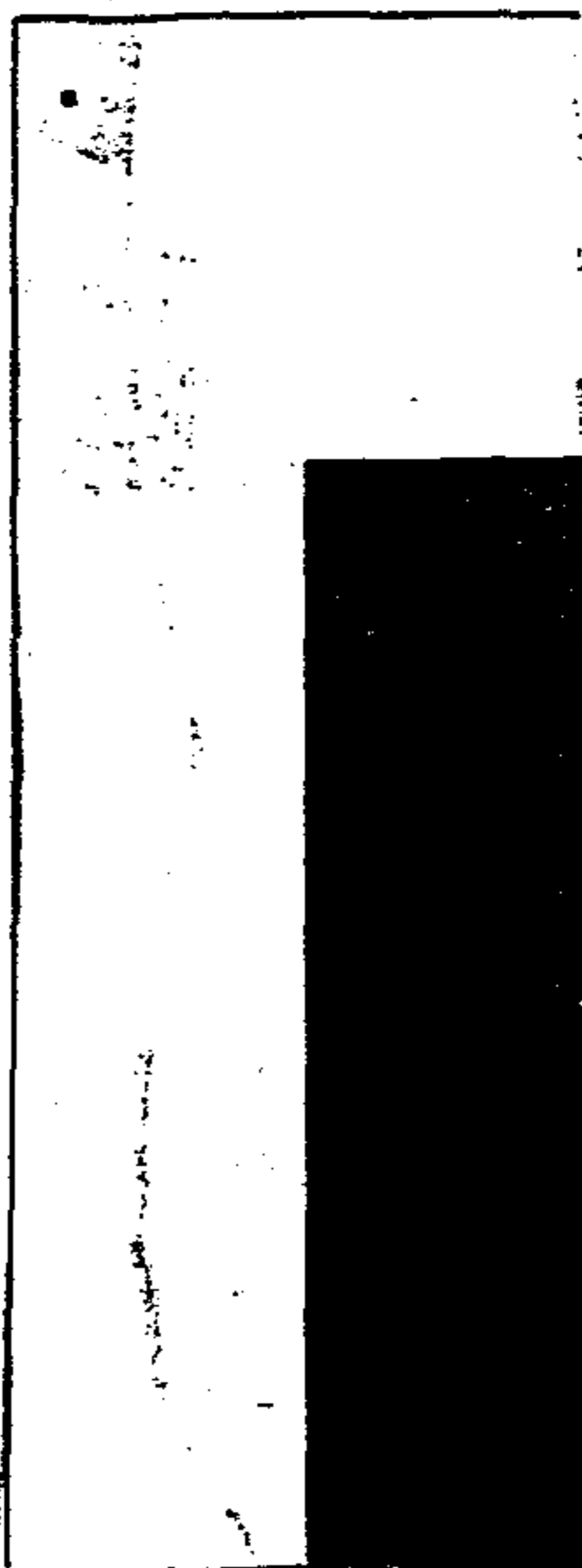
RICHARDS BAY — The Afrikaner community had to accept affirmative action and training for black employees were realities under the new government, and diminished job opportunities for whites called for increased entrepreneurship, the Afrikaanse Handelsinstituut said yesterday.

Speaking at the annual congress, spokesman Johann Coetzee said the green paper on employment equity posed as "a far-reaching and extremely threatening" piece of future legislation, dictating subtle affirmative action and a forced adjustment for past discrimination.

Countering these effects demanded that particularly white Afrikaners be encouraged to undertake tertiary education and establish their own businesses as a medium-term solution to finding employment.

Addressing the Durban leg of the congress, National African Federated Chamber of Commerce president Joe Hlongwane said SA had not yet established a sound balance between the levels of influence of government, organised labour and business.

"Business remains a weak participant unable to mobilise the cohesion and resources to enable it to become influential in the formulation of economic, trade and industry policy," he said.



Diversity 'key to staff upliftment'

Nomavenda Mathlane

(F76)

RD 24/10/96

AFFIRMATIVE action in the US had not completely levelled the playing field for minorities and women, General Motors's human resources director Elmer O Jackson told delegates yesterday, at the Institute of Personnel Management convention held at Sun City.

Jackson, who has been in human resources for 34 years, said he had witnessed the US journey from segregation and legally sanctioned discrimination to civil rights legislation, affirmative action plans and diversity programmes. And although they had made progress since then, "we are far from finished", he said.

An example of this was that African

Thousands

Americans, Native American, Hispanics, Asians, women, gays and lesbians were still largely excluded from jobs allowing them to exercise political or economic power.

More examples were that in most organisations minority-group members were rarely in the ranks of CEOs, top senior management or on boards of directors, and that many white Americans were stunned last year at the reaction of their black colleagues, neighbours and friends when OJ Simpson was acquitted of murdering his former wife.

The different responses reflected different experiences with the police, government and the criminal justice system. The verdict should serve as a reminder to all Americans that different groups often see

the same world in drastically different ways, he said.

"To move forward we need leaders who understand that racism, bigotry and discrimination persists. We need leaders who will make a commitment to diversity and who will act to enforce it", said Jackson.

Until recently many Americans viewed diversity programmes as an extension or outgrowth of affirmative action. On commitment to diversity, he said: "The issue is not about quotas, it is about inclusion."

Individuals from different walks of life had to be given the opportunities to participate at all levels of an organisation and he stressed managing diversity should not be left to line managers: CEOs had to be held accountable for promoting diversity.

Myths about black bosses debunked in new survey

ABULANI SIKHAKHANE
BUSINESS EDITOR

Johannesburg — A survey of the leadership styles of black executives has debunked some myths about black chief executives, indicating that their behaviour in most cases is similar to that of their white counterparts.

Even where behaviour differs because of historical and cultural reasons, the differences make complementary synergies, a survey by Amrop International as found. Amrop is an executive

search agency operating in over 35 countries, and the survey sought to study the leadership practices of 103 black executives on five key criteria.

These were: turning a dream into a practical concept; selling the concept to work colleagues; turning the vision into a working reality; achieving the results; and team playing. Their responses were then compared with data on the norm group of 20 000 executives from the US, Germany, Italy, Sweden, France, Spain, the Netherlands and the UK.

Derick Boshard, a partner at Amrop, said yesterday that the survey had shown that black executive behaviour on strategy was close to international norms, although most white executives perceived black executives not to be strong strategic thinkers.

The Amrop report said black executives, like their white counterparts, showed strength in focusing on the bigger picture and the long-term implications for their organisations. Other areas of similarity included a clear focus on output

and the achievement of results, although white executives were more confident because of socio-political factors which had afforded them significantly broader and longer experience.

Both groups are averse to risk and are aware of new ideas but reluctant to implement them. They define their authority by keeping some distance between themselves and their followers.

The areas identified as needing development among black executives included helping them open up to:

New and untested ideas instead of relying on past experiences;

Paying less attention to detail which, though valuable, slowed down decision-making; and

A different style of leadership. The black executives' leadership was seen to be aloof and reserved despite a strong feeling for team playing, which may inhibit effective communication.

Boshard said black executives also had to learn to delegate responsibility and authority which

would free them to concentrate on building team capacity. Their reluctance to delegate could limit their ability to manage larger organisations.

Areas of complementary diversity included mutual co-operation between black and white executives, which could help boost black executives' confidence about using their authority; and the balance between the competitiveness of the white executive and the careful, systematic and process-orientated approach of the black executive.

~~176~~ (176) CT Oct 1996

as she is'

Lecturer says his rival changed her name to get job

(176) By CRAIG DOONAN
ST 27/10/96

A TEMPORARY lecturer at the University of Durban-Westville wants the Supreme Court to set aside an "affirmative-action appointment", because he claims the successful candidate won the post only after assuming an African name.

Suren Singh won an application this week to serve papers on Dr Carol Bernice Nonkwelo and the university in an attempt to challenge her appointment as a permanent lecturer in the microbiology department.

In court papers he said Nonkwelo's appointment was unprocedural and unlawful, and that she was unfairly chosen above him.

He said she had changed her name from Wellington to Nonkwelo, and that she was "coloured", not African.

Although he said he was reluctant to challenge her appointment on affirmative-action grounds, Singh said he was a South African of Indian origin who came from a relatively poor family. Because of his circumstances he had been unable to study abroad.

"Nonkwelo has been in the fortunate position of having studied and occupied positions in universities abroad. My contention in this regard is that there is no valid reason, arising out of or based on affirmative action, to choose her over myself," he said.

"On proper evaluation, (Nonkwelo) and I can be considered to be equally deserving beneficiaries of any affirmative-action policy that may be applied."

Singh said the university had gone to "extraordinary" lengths to secure Nonkwelo's services.

Nonkwelo, contacted at her workplace in Tennessee in the US, refused to comment. However, she said she was unaware of the court challenge to her new post.

"I have no idea of the details. I won't say anything until I've contacted my people," she said. She declined to confirm whether she had changed her surname.

Singh said the selection committee that interviewed applicants had deliberately prejudiced his chances because of personal differences.

He said he had been assured by the dean that the post was "99 percent" his, and that he had lost a PhD grant because of the debacle. He had sacrificed the grant by taking up the lecturing position in a temporary capacity after being told that Nonkwelo had failed to respond to correspondence before the deadline.

However, he said, a university official apparently flew to the US to persuade Nonkwelo to take the job, offering her a higher salary.

Singh's lawyer, Vassist Sewpal, said papers would be served on Nonkwelo this week.

'I am just as black

Minister's amazing attack

By CRAIG DOONAN

(176) ST 27/10/96

HOME Affairs Minister Chief Mangosuthu Buthelezi has launched a blazing attack on government's affirmative action policy, saying it has led to inefficiency and a bloated bureaucracy.

Addressing an IFP Women's Brigade conference in Ulundi yesterday, Buthelezi said: "Many of the affirmative action programmes have not improved the efficiency of government. I have found this in my own department, where things are not done as quickly as they used to be two years ago."

Buthelezi's comments are sure to kindle a major row in the cabinet.

Presidential aide Joel Netshitenzhe said Buthelezi had made "a sweeping and unsubstantiated

statement" which implied that blacks and women were inherently inefficient.

"The fact of the matter is that it's quite clear that the old bureaucracy did not serve the interests of the majority and that has changed," he said.

Netshitenzhe called on Buthelezi to report to the cabinet on exactly how the employment of blacks and women had slowed down his department.

Buthelezi's remarks came as his controversial white adviser, Mario Ambrosini, was due to explain to a parliamentary committee why he had received R500 000 in expenses over two years, in addition to his R28 000-a-month salary.

Buthelezi has defended the appointment of Ambrosini — a foreign national — on the grounds that

no South African has his particular legal skills.

Speaking in Zulu, Buthelezi said government was still "ridden with inefficiency and with a bloated bureaucracy which has been pointed out in our recent economic plan which calls for the retrenchment of 100 000 civil servants".

The IFP chief said he had grave doubts whether the present system of government would be able to make any significant change to the social and economic conditions of most South Africans in the short term. Buthelezi said he was aware his statements were serious "but I do not want to be part of any campaign aimed at deceiving South Africa".

"The IFP and myself have been loyal members of the government of national unity, but we have

lodged fundamental objections to the overall system of government as it was shaped by the interim constitution and now by the new Constitution," he said.

He said the system of government had to be "fundamentally changed" if it wanted to deliver. Instead of centralising and imposing an autocratic regime, the country should opt for a devolution of powers.

ANC spokesman Ronnie Mamoepa said he had not yet seen the full text of Buthelezi's speech but "if that is true, it will be unfortunate if a perception were to develop that his speech is a vote of no confidence in Africans, Indians and coloureds who have been appointed to civil service posts as a result of the affirmative action programme".

Land affairs set to speed up affirmative action

(196) BO 28/10/96
Louise Cook

AFFIRMATIVE action at the land affairs department was expected to gain momentum following last week's adoption of an official affirmative action, equal opportunity policy, the department said at the weekend.

Land affairs spokesman Maurice Smithers said that over the past two years, group representivity had moved from 514 black staff (including Indians and coloureds) to 894. The number of white employees fell from 1 542 to 1 339.

In January last year, managerial positions were filled by 40 white males and one white woman. By last month this had changed to 10 black men, three black women and four white women while the number of white male managers had dropped to 36.

Last week the department's bargaining chamber, represented by bodies such as trade unions, the gender forum and the workers' forum, formally agreed on future affirmative action procedures. He said quotas laid down by the public service commission would be used as guidelines. "The idea was to increase representivity all the time, and this will now speed up with an official policy that sets out procedures."

Buthelezi defends his remark on affirmative action

(176) Star 28/10/96

Minister hits out at call for him to account before the Cabinet

By **PATRICK BULGER**
Parliamentary Correspondent

Home Affairs Minister Mangosuthu Buthelezi has defended his remark at the weekend that two years of affirmative action had "slowed down" his department.

He also lashed out at President Nelson Mandela's director of communications Joel Netshitenzhe, who criticised Buthelezi's statement made during an address to the Inkatha Freedom Party Women's Brigade conference at Ulundi on Saturday.

Netshitenzhe was quoted in a Sunday newspaper as saying Buthelezi should account before the Cabinet for his statement.

Buthelezi, who told the National Assembly last week that his Home Affairs Department outstripped all others in its affirmative action programme, said he took strong exception to Netshitenzhe's comments.

Netshitenzhe would not comment further on the issue yesterday.

"Until Netshitenzhe becomes the deputy president of South Africa, as has been forecast, he has no right to chide me publicly as if I am accountable to him.

"I might appear the idiot of the Cabinet in the eyes of Netshitenzhe but I am not so stupid that I could come to a conference on women who are mainly black, coloured and Indian and complain about affirmative action meant to enhance their status."

On Saturday, IFP women re-

solved that "adequate mechanisms have not been found to rapidly enhance the status of women in our party, in the province and throughout the country".

Buthelezi, reacting to calls for gender quotas, told the conference that quotas were "one of the most controversial issues affecting women on which the IFP will need to take positions".

Buthelezi went on: "The economy of our country is not in good health and we have inherited an enormous international debt which slows down the delivery of services.

"Progress is often the result of initial setbacks, and our government in KwaZulu Natal, as well as government in the rest of the country, is making investments which can only yield long-term dividends.

"For instance, many of the affirmative action programmes have not improved the efficiency of government, and yet I am confident that they will succeed in giving the country a better government down the road. I have found this even in my own Department of Home Affairs where things are not done now as quickly as they used to be two years ago."

Buthelezi said yesterday the reporting of his statement had been a "deliberate distortion". Public Service and Administration Minister Zola Skweyiya had noted that Buthelezi's department was "ahead of all other departments as far as the implementation of affirmative action is concerned".

Buthelezi: I didn't criticise govt action

(196)
DURBAN: Minister of Home Affairs and Inkatha Freedom Party leader Chief Mangosuthu Buthelezi has denied a Sunday newspaper report claiming he is critical of government affirmative action.

The Sunday Times reported that Buthelezi, in a speech to an IFP Women's Brigade conference in Ulundi on Saturday, launched a blazing attack on the government's affirmative action programme, saying it had led to inefficiency and a bloated bureaucracy.

Buthelezi said yesterday he was astonished by the distortion of his statements.

He added that, to set the record straight, reducing the bureaucracy by 100 000 civil servants while implementing affirmative action had cut staff levels and slowed down departments, even his own. His statement had not been a criticism, but simply had given the facts.

His statement had been to inform the conference of problems the government was encountering as it tried to make restructuring "consonant" with its macro-economic strategy. — Sapa

CT 28/10/96

Given the boot — in

IT WAS SUPPOSED to be a flagship of affirmative action venture in the Western Cape.

A joint venture company with a 50/50 split of white and black directors was formed with the intention of launching a concerted drive into the black consumer market.

Instead, it turned into a fiasco.

The newly-recruited regional manager, coloured, was forced to run the operation from the boot of his car. No basic professional facilities were provided - like an office, for example.

When he needed to hold meetings with his staff, premises had to be rented at supermarket complexes. In the end, the venture collapsed in a shambles.

FIRST things first: Mr Ashraaf Fakier may have the same surname, but he's not related to this writer.

He called when he saw a recent article on this page discussing change in the workplace.

"This should interest you," said Fakier. I discovered that describing his experience as "interesting" was an understatement.

The opportunity of a lifetime smiled on Fakier, 37, a father of two young daughters, when he saw the ad in the weekend press.

"Regional Manager," it announced in bold letters. "Affirmative Opportunity — Cape Town," the sub-heading trumpeted.

"Performance-driven candidates with business acumen and insight, proven track record, who is used to dealing at all levels, and who can work under pressure may (more bold lettering) negotiate an excellent salary plus bonuses, motor vehicle and group benefits." (Untrumpet)

A successful salesman and manager, Fakier just knew he was the man for the job — and he was right. This was the Big Step.

Like so many Cape Flats teenagers, he had matriculated, spent three years with a life assurance firm, a substantial time in the navy, a short time in Safmarine's computer services division and then returned to the insurance arena as an adviser. He was 28 years old.

He performed well in the field and found he had a flair for the industry.

He went through every sales management course he could find and today is as good a professional

black representation on its board of directors. They were running into a brick wall.

"After some soul-searching, they decided to establish this joint-venture company."

Contact was made with a black investment group and the company was established "to facilitate an affirmative action programme and establish links with the community".

The black directors, however, were largely overlooked when management decisions were taken.

The stated business aspect of the initiative was to introduce a new system of "community phones", operating from "community service stations", which would be made available on a mass scale to ordinary people.

None of this materialised. Instead, Fakier and his team were used simply to sell more cell-phones for the parent company.

But it was the actual running of the operation that left him feeling disempowered and marginalised — and made him suspicious about the true motivations behind the venture.

"Firstly, I didn't have an office, so to penetrate corporate markets, how could I as a professional establish myself and build a reputation *from the boot of my car?*

"Secondly, I couldn't send out sales people effectively because there were no facilities to provide customers with a computerised quote, brochures or fliers.

"We couldn't even sit on the telephone and make prospecting calls.

"All I got from the boss was: 'Don't worry, we'll sort it out next

A FEW weeks ago, we published comments from readers who said they believed there were no sincere attempts on the part of most companies in the city to implement affirmative action. Since then several others have called to support the claim. Two were prepared



to go on the record and are interviewed on this page. **YAZEED FAKIER** reports.

**Affir
Ac**



FACE



After being interviewed successfully for the "affirmative opportunity", he was appointed in April last year as Western Cape regional manager of the subsidiary (joint venture) company.

He was to set up a corporate sales team who were to establish a community cellphone dealership in the region.

Fakier had overall responsibility for about 10 people working from kiosks at large shopping centres in the northern and southern suburbs and was seeking to recruit an additional direct-sales team of six people, one or two corporate members and secretarial staff — in all, about 20 people.

"My immediate task was to train all the staff in sales skills. But we had to hire premises from these shopping centres and beg and borrow their facilities — we were often kicked out when they had their own meetings."

Fakier was "specifically told that the joint venture was established for the sole purpose of penetrating the so-called black and corporate market".

Sketching the background, he said the parent company, a cellphone business, had discovered it couldn't break into the corporate market easily because it had no

Company matters were discussed only when Fakier raised them; they were never brought up as a matter of concern.

"I never felt that I was a part of the management group.

"We never had any meetings of that sort whatsoever."

He was always left "completely in the dark about the company's next step or where we were going".

Fakier notes that he secured the job ahead of 59 other applicants — and finds it odd that his opinion was not sought or considered.

Insult was added to injury when an office that became vacant at the regional head office of the parent company was also denied him. Fakier discovered later that it had been standing empty — and fully paid-up — for a year.

His boss also wouldn't agree to his signing a three-month lease for an office. This meant only one thing to him.

FIRST-HAND EXPERIENCE: Insurance sales advisor Mr Ashraaf Fakier says appointees are given actual authority, the process will continue to be farcical

"They never had any long-term plans for me. Right from the start they never had intentions of keeping me for long."

Fakier says he believes the only thing the parent company was interested in was pacifying its black directors, who were influential, moved in government circles and had powerful friends.

"The company was eager to show it was making meaningful changes and that it was an affirmative action venture set up in accordance with the demographics of the country.

"They could say 'Look, in Cape Town we have a coloured appointee, in Durban we have an Indian, and in Johannesburg a black person'.

"I was used — I was simply used for their purposes."

When the directors decided to

discontinue the operation, Fakier was retrenched.

"I think I was deliberately set up for a fall," he says.

The experience was financially detrimental. Plans for overseas holidays and for his children's education had to be re-evaluated hurriedly.

Also, the venture hurt his earlier career as insurance adviser. It set him back four years in terms of the effort needed to re-establish himself.

Now he says that although he might have had faith initially in affirmative action, in reality it's "a farce".

"I don't think many companies are genuine in their introduction of these programmes. I'm sure that if I were a white manager I would have been afforded every opportunity to succeed.

"The danger involved in many of these joint venture companies is that there's no true and meaningful contribution to affirmative action. White corporate interests are using it only as a means of entering the black market."

"They get themselves a black partner, but once they have access to the market they try to get their hands on everything — it's greed."

— Ashraaf Fakier



AFFIRMATIVE ACTION UNDER FIRE: Employees of a major oil company in Cape Town stage a protest outside the offices of their employer.

Plenty of vultu

UNLESS you drink with a lot of the guys, socialise a great deal and regularly go away on business trips, you won't get anywhere in your career, says Mr Ashraaf Fakier.

During his short stint at an ill-fated joint venture company, Fakier soon discovered that "most of the strategic positions at companies, especially in sales, are white-dominated — it's like a culture in the sales environment".

"That's the kind of lifestyle and profile that you need to fit into to be successful.

"Unfortunately my culture, my tradition, is completely different," says Fakier, a Muslim.

He emphasises that companies need to establish a training and development programme for affirmative action appointees that will also facilitate their introduction to the company culture.

But he questions why such

employees "with a totally different culture must fit into a culture dominated by white males, with the after-hours socialising and parties that go with it".

"Why not adapt and change that sort of culture to accommodate other cultures as well — because this is basically a club, a culture club, that black people have to fit in with?"

"And if you don't socialise at that level, you've had it."

Fakier says that "most promotions and decisions about business are taken at the social functions, the informal get-togethers, rather than at formal board meetings or business meetings.

"It has more to do with how well you socialise with your boss and senior executives than with actual performance at work."

Fakier is a trainee production manager and his recruitment strategy considers people from all walks of life.

GRAPPLING WITH

more ways than one

(176) CT ~~22/~~ 27/11/96

affirmative action



TO FACE

THE APPLICATION of affirmative action at businesses and companies in Cape Town is such a volatile "new South Africa" phenomenon that few employees are prepared to go on the record about it for fear of victimisation.

In the same vein, when employees at a major oil company with headquarters in the city started organising colleagues on the issue, they felt they couldn't do so openly.

And — says one employee with an eight-year track record and who was prepared to go on the record — when they finally did, they were headed for trouble...

When management launched a witch-hunt for the author of a letter complaining of career stagnation due to race, some black and coloured employees of the oil company decided it was time to act.

Using strategies described by some as almost reminiscent of Broederbond secrecy, they formed an informal, loosely constituted grouping that met clandestinely, after hours and at someone's house.

"We couldn't come out in the open because we didn't know who was with us and who was against us," said Mr Avril Harding, 36, one of the organisers of the group.

The letter, written anonymously and sent to the overseas head office, had outlined the company's record of victimisation and career stagnation through racial prejudice.

It said coloured employees were often given major responsibilities but no corresponding authority.

In stark contrast to their white colleagues, they were awarded no management positions and few perks like company cars and expense accounts.

The local management began receiving inquiries from overseas about the letter, but rather than address the grievances, it launched a witch-hunt.

"They started calling in guys,

unionised employees.

The main aim of the group was to further the careers of those at the company who were regarded as disadvantaged, but membership was open to all.

"Like the American National Association for the Advancement of Coloured People, which has white members, our membership was open to white employees also," says Harding.



SPEAKING OUT: Mr Avril Harding questions the manner in which affirmative action is being applied at city corporations.

PICTURE: THEMINKOSI DWAYISA

shop was held, to which all those interested in the issue were invited.

At the height of these developments, at the end of 1995, Harding was fired, allegedly for gross negligence.

He believed, however, that his outspokenness about affirmative action had more to do with it.

He says the broader question that needs to be addressed is that "this sort of thing is not just happening to me — it's happening to so many people out there".

"I'm saying to those people that if we don't stand up, we are going to be buried — that is what it boils down to."

Managements tended to introduce affirmative action programmes that had been devised "behind closed doors and which they can control and manipulate".

"We on the other side of the fence who oppose these one-sided measures are then branded as the trouble-makers," Harding said.

"If we, the ultimate beneficiaries, can't have any say in the matter — what is the use? It's a farce."

The controversial letter stemmed from the feeling among "a lot of the coloured guys that they actually carried the company and gave it their best years, yet their efforts were not being recognised".

"We deal with a lot of white managers who are just not up to the job. We were doing the jobs — they lived off our ideas and our hard work.

"There was absolute disdain for these managers, who did not command any respect because of their lack of ability, yet they were the ones who were getting the rewards."

It is these areas in management that need to be addressed, says Harding. He notes that since the

The group asked that one or

Harding. He notes that since the

unless affirmative action

PICTURE: THEMBINKOSI DWAYISA

But Fakier is not given to bitterness.

Highly motivated and irrepressible, he had the confidence to bounce right back into the fray and is now in charge of a team that already is cracking targets regularly.

But the next time he sees an ad that starts "Affirmative Opportunity ...", he'll certainly warn his friends to tread carefully.

asking them whether they knew anything about the letter. That's when we felt we needed to consolidate," says Harding, who was a legal documentation clerk. He served the company for eight years.

"We started meeting once a week, at night, and discussed issues that affected people in the various departments — just touching base, asking how things were going."

A parallel initiative was started at another branch and in April, 1994, the two bodies merged and announced themselves to management as a forum of non-

two of its members be nominated to serve on the company's affirmative action committee.

"They (management) said 'No ways — this is the affirmative action policy and this is what we're going to do; you guys must just come on board'."

The group declined because it had no say in drawing up the company's affirmative action policy.

"We are the ultimate beneficiaries of this policy, but we had no say in its drafting. It was the old story of 'we will decide what's good for you', and then expecting us to go along meekly."

"We said we would not come on board unless we could sit down and work this thing out because it was still the 'top-down' approach."

Some harsh words were exchanged during these negotiations, but no breakthrough was achieved — some would say there was a lot of heat, but no light.

The company nonetheless held elections for its affirmative action committee, "but none of our members put their names forward and we didn't participate in the voting".

"As a result it turned out to be farcical, with low voting figures."

At another city-based oil company, a similar employees' grouping was formed. A weekend work-

"suddenly no one voted for the previous government".

"So how on earth were (the National Party) able to rule this country for 48 years and win successive elections with landslide majorities?"

"They did that because the ordinary white person we worked with and attended the end-of-year parties with voted for them."

"That's where change needs to take place. Change is something that happens in your mind — a lot of them haven't made that transition."

Many companies would still not feel compelled to change because they were "managing the past" and held the "I'm-alright-Jack" attitude because "things are going along just fine".

As long as profits were still being made, it would be full steam ahead for the corporate ship — with no meaningful changes.

Harding believes a blanket affirmative action policy country-wide was not the answer; it had to be based on regional demographics — "which is largely being ignored in the Western Cape".

"People who think the fight is on the basis of economic entitlement are wrong — it's about economic empowerment."

Affirmative Action: Management



	White	Black	Coloured	Asian
October 1992:	93,36%	2,33%	2,47%	1,63%
September 1994:	90,87%	3,77%	3,03%	2,16%
September 1996:	89,64%	4,72%	2,59%	3,05%
September 2000:	53,46%	32,77%	6,69%	6,88%

* Figures extracted from the latest Breakwater Monitor issued by the Graduate School of Business at the University of Cape Town.

es, but this club lacks cultures

He has a cosmopolitan mix on his team and doesn't consider political views, but looks rather at track records and development potential.

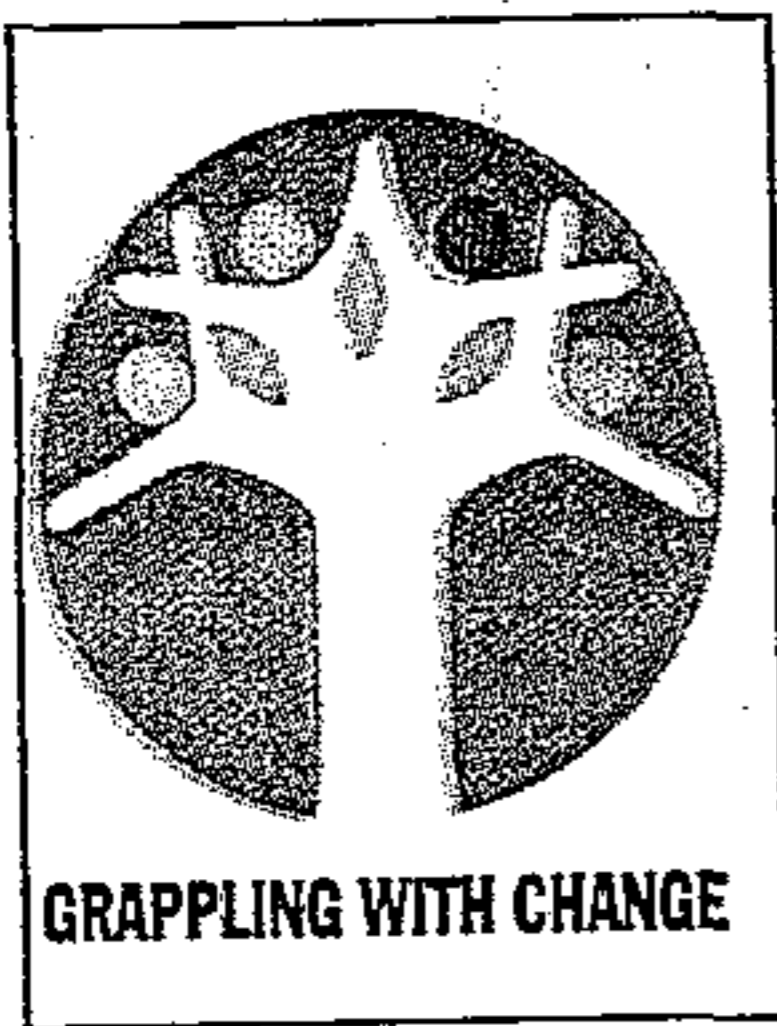
He says that in many cases companies are motivated by greed and are hijacking affirmative action programmes purely for their joint-venture value.

Many companies are finding that they are "stuck" because they are perceived by black people as "white companies" — a result of traditional associations and company practices based on the past.

When these companies want to move into the corporate market and attract foreign investment, they realise their structures will

have to be changed.

"Companies interested in investing in South Africa want to see what sort of Reconstruction and Development or black-empowerment programmes our companies have in place."



Local concerns are therefore setting up structures enabling them to do business with black-owned companies.

"They get themselves an equity partner, a black partner, to establish precisely what is required of them to enter a particular market."

"Once they have access to the market they try to get their hands on everything — it's greed."

"They want to get as much as

they possibly can out of the deal — with no true and meaningful consideration for the careers and development of the affirmative action employees within that structure."

There was still a lot of prejudice against black managers, and middle managements were still composed predominantly of "white people protecting each other".

White managers who performed poorly would rather be given an opportunity to opt out of the position or be transferred laterally, back to head office, to serve in some other function.

"They do this to save face and make the situation look more respectable."

The unfortunate thing was that the upper echelons of companies, those in the top structures like general managers or the directors, were not always aware.

"Although the top guys might be genuine about the pro-

grammes, they are hampered by middle management, which at the moment is predominantly white — up to 80%."

Ultimately, says Fakier, "affirmative action programmes and appointees need to be delegated really meaningful authority and responsibility".

"There also must be a genuine concern for these candidates — not that these people must be pampered and protected at all times."

"They must be given a full opportunity to be exposed to market forces and to be guided in the areas where they need development, instead of being left out in the cold."

Referring to his own experience, Fakier says: "What's the use of giving you the position of regional manager ... and you don't have any power — you don't even have an office to work from?"

CHANGE

'Affirmative action will not redress inequalities'

(176) MAN 29/11/96

Port Elizabeth – Affirmative action would fail to rectify the inequalities of the post-apartheid period, University of the Free State economist Dr Louis Bothma warned yesterday.

He said this was primarily because policymakers assumed apartheid was to blame for the inequalities in the marketplace.

To use this concept as a departure point for affirmative action pointed to a glaring ignorance of the dynamics of a market economy and the labour market, Bothma said.

He was speaking at the National Productivity Institute's conference on research economics, business management and manpower at the University of Port Elizabeth.

"The reply to the question of whether affirmative action in South Africa would succeed in its purpose of redressing the inequalities dating from the apartheid period is a definite no," Bothma said.

The basic ingredient for affirmative action to succeed – economic growth – was lacking. In fact, affirmative action could halt economic growth.

Affirmative action, Bothma said, would not succeed unless the country showed sufficient economic growth.

A perception could develop among affirmative action beneficiaries that they need not work to get ahead, with the right race, sex and political affiliations being seen as the passport to success.

The inverse was that whites would see no incentive for hard work. This was hardly conducive to increasing the nation's productivity and growth. – Sapa.

Affirmative action for newspaper group

CT (BR) 6/11/96
GUY OLIVER

LABOUR EDITOR

Johannesburg — Independent Newspapers brokered an affirmative action deal with its six recognised unions this week that will maintain senior white male positions.

After five months of negotiations with the unions, John Featherstone, the chief executive, signed the deal on Monday.

The parties agreed that positions for disadvantaged staff would be filled partly through attrition of existing staff members, and set a target date of 1999. No targets were set for A and B band, or unskilled, employees because those positions have traditionally been the preserve of blacks. The target for C band employees — artisans and junior reporters — was set at 40 percent, and that for D Band employees, such as senior reporters and circulation managers, at 30 percent.

Duncan Innes, the labour con-

sultant who facilitated the deal, said the relatively low 20 percent requirement for E band, or editor grade, was agreed on to accommodate recent appointments by Tony O'Reilly's Independent Group, and referred to Peter Bruce of Business Report, Shaun Johnson of the Cape Argus and John Battersby of the Sunday Independent who, he said, were all young. "Opportunities to bring people in (to senior positions) is limited so we are setting it quite low."

Deon du Plessis, the group's Gauteng general manager and the force behind the policy document, said it grew out of this year's wage negotiations, when the parties agreed to sit down and negotiate on an equal footing.

The policy document also commits the group to training staff from previously disadvantaged groups. Each region will have an affirmative action monitoring committee and appeal sub-committee with union and management representation.

Change goes on

Mandela

No compromise on affirmative action

Rowshan 11/11/96

(176)



President Nelson Mandela speaking at his home at the weekend.

PRESIDENT Nelson Mandela has warned that there will be no compromise on the need to redistribute resources and for affirmative action to bring about equity in South African society.

Speaking at his Johannesburg home in an interview marking his first two and a half years in office, Mandela said the Government had largely carried out its political mandate of establishing legitimate rule, nation building and reconciliation and reconstruction and development.

He again expressed the wish to retire as African National Congress President at the end of next year, and said he would support the election of Deputy President Thabo Mbeki as his successor.

Mbeki, he said, was "a competent man who deserves that position".

"In 1999, at the end of my term, I will be 81. I don't want a country like ours to be led by an octogenarian. I want to sit down with my grandchildren and children and be able to converse with them and advise them," Mandela said.

He also revealed that he would support a change to the party list system of choosing members of parliament to enable voters to choose their representatives in Parliament.

By Mike Siluma
Editor



Under the present system, political parties choose MPs.

"I personally believe in a constituency election system where the people are themselves going to decide. It is an invasion of the rights of citizens to decide for them who should go to Parliament.

"I am in favour of a change. But we have to be very careful because we want to take the other parties along with us.

Delivery

"Where we will not compromise at all is in the delivery of services to our people, on programmes to create jobs, (to build) houses, schools ... (on) transformation and affirmative action."

The Government, deeply concerned about the problems of the elderly, was addressing the question of corruption and inequity in the pension system as well as the abuse of the elderly.

Mandela defended the Government's efforts at national reconciliation, saying they had marginalised the right wing, which enabled peaceful change to occur.

"But there are still a lot of problems because you can't eliminate patterns of thought which have lasted for more than three and a half centuries ... You can't just scrap that within two and a half years," said Mandela.

South Africa's involvement in the Zairean crisis would be informed by advice from the Central African countries which are more directly affected.

He had asked the South African National Defence Force and the Department of Foreign Affairs to prepare a contingency plan for possible action in the Great Lakes region.

Mandela, while acknowledging having condemned certain practices in the ANC, rejected suggestions that he ran it autocratically:

"That could never be said by anybody inside the organisation ... because I have emphasised over and over again that in the organisation there must be free debate and nobody is above criticism, including the president."

"I doubt if anybody can quote a single instance to show that I'm running the organisation with an iron hand."

The Government's priorities now included stabilising the rand and "to go on with all facets of transformation".

● See full interview on pages 8 and 9.

Report criticises Parliament

(176) BD 15/11/96

Wynndham Hartley

CAPE TOWN — Parliament's affirmative action programme has been criticised by the chairman of a National Assembly committee as being overly concerned with numbers at the expense of training.

In his end of session report released yesterday, health committee chairman Abenokomo said "intransigence and obfuscation" persisted in the management of Parliament despite the fact that it was against the ethos of the new SA.

"There is also an apparent misunderstanding of the nature of meaningful affirmative action. The latter is as much about training, confidence building and empowerment as about adjusting the demographic profile of appointments."

Nkomo said the parliamentary committee section was an area of major concern

because it "remained as much a bureaucratic hindrance as a facilitator of parliamentary democracy."

"Despite the dedication of many members of the committee section staff there appears to be a complete lack of flexibility or willingness to join MPs and the staff of the health committee in ensuring that the system serves the public."

He said that in spite of advance warnings to the committee section it was impossible for a proper record to be produced of the recent controversial public hearings on the abortion Bill.

Nkomo also lashed out at the scheduling in Parliament, and said the committees were too large and MPs served on too many different committees. This, he said, precluded consistent involvement in any one policy area by individual MPs.

On the issue of Sarafina 2, he reported

that the R14m AIDS awareness play dominated the health-related news agenda for the first six months of the year. He said it was of key concern to the committee that the correct lessons were learned from the Sarafina 2 affair. A national AIDS strategy had to be implemented, Nkomo said, adding there should be "linkages" between the national and the provincial. Non-governmental organisations also had to play a role in AIDS awareness.

The report also revealed that more anti-tobacco legislation is in the pipeline for the 1997 session of Parliament. Also on the list of legislation that Health Minister Nkosazana Zuma intends introducing are a Bill to prevent HIV/AIDS testing being used as a condition for employment, measures to control the conditions under which doctors dispense medicines and changes to the Nursing Act.

WYNNDHAM

Parliamentary Committee

'Uneven hands' of affirmative action

Samantha Sharpe

CAPE TOWN — Affirmative action legislation should be avoided at all costs if SA wanted to avoid the replacement of a "previously disadvantaged" group with a "future disadvantaged" group, Cape Chamber of Commerce and Industry president Geoffrey Ashmead said yesterday.

Speaking at the chamber's annual general meeting, Ashmead warned that affirmative action legislation could lead to legalised

BD 20/11/96
prejudice and not the increased "enfranchisement" intended.

"Economic empowerment is a reality. But, affirmative action is a far more sensitive issue ... where experienced people are being pensioned off to make room for others and employment practice is not being conducted in an entirely even-handed manner.

"This is certainly the case if one is to base one's judgement on the proposals of the labour department for a new employment occupational equity statute," he said.

(176)
Meanwhile, incoming chamber president Ali Gierdien called on all to support the city's bid to host the 2004 Olympic Games.

Gierdien said the chamber strongly identified with the bid, which could offer unique opportunities in housing and development where these were most needed.

"My wish is to see business, government and labour combine in a common endeavour to turn our country into the lion of Africa. We hope to take on and compete with the Asian tigers," he said.

Omar's affirmative action posts opposed

(SAP) (176)
1 CT 21/11/96

PRETORIA: An application by the Public Servants' Association (PSA) against the Department of Justice concerning affirmative action appointments in the department that allegedly discriminated against white males, started in the Supreme Court here yesterday.

The department, earlier this year, was interdicted from making any further affirmative action appointments, pending the outcome of the PSA's application.

Mr Hermanus de Clercq, PSA assistant general manager, said in an affidavit that Justice Minister Mr Dullah Omar in October last year decided to earmark certain vacant posts at the various offices of the State Attorney as "affirmative action" posts, as opposed to so-called "section 11" posts.

It was also decided to fill all posts which became vacant during 1996 on the basis that the majority of such appointments would be "affirmative action appointments" according to a quota fixed at two or three "affirmative action appointments" for every one "section 11 appointment".

Several existing employees applied for the widely advertised posts, but not one of them was even interviewed by the department's selection committee.

De Clercq said they were eliminated from the candidates selected for an interview "purely on the basis of their gender and race".

The Department of Justice has filed a counter-application seeking an order that section 11 of the Public Service Act did not permit and require the race and gender of applicants for vacant posts in the public

service to be taken into account.

This was whenever it was necessary or appropriate to do so to promote a public administration broadly representative of the South African community.

In the alternative, the department sought an order declaring section 11 of the act to be inconsistent with the constitution and invalid in so far as it did not permit the race and gender of candidates to be so taken into account.

The Minister of Justice stated in court papers that the offices were being seriously hampered by the delay which might even, in the longer term, adversely affect the proper administration of justice.

Yesterday PSA senior counsel Mr Gerrit Grobler submitted that the application dealt with the questions relating to the powers of the state, as employer to make "affirmative action" appointments in various posts in the State Attorney's offices in the Department of Justice.

It also dealt with the competing rights of white male officials, now serving in the department, to be considered for appointment in those posts.

He said each of the officials involved in the application qualified to be appointed in one of the vacant promotional posts, possessing excellent qualifications and experience.

Yet none was even considered for the advertised posts.

"Not one white male was invited for an interview. At the same time, white females who are junior to and lower on the preference lists for the occupational classes concerned were invited for interviews," he said. — Sapa

Affirmative-action process challenged in court

May 21 11/96

(176) (25)

PRETORIA CORRESPONDENT

The Pretoria Supreme Court has been told that the Justice Department has failed to adhere to rules relating to affirmative action.

Leading evidence yesterday on behalf of the Public Servants Association (PSA) against the minister of justice, advocate Gerhard Grobler, SC, said the department had violated an agreement reached between it and the PSA.

Grobler told the court, presided over by Mr Justice JDM Swart, that the application was not in opposition to affirmative action

or the constitution. The question was whether the state was acting according to the agreed rules of the affirmative action programme.

Grobler said the PSA had brought the matter to court in order to resist the abuse of power by the department. He said that when the minister issued directions for the advertisement of posts last year, specific requirements infringed on the rights of white male attorneys.

This went against the constitution, which outlaws discrimination on grounds of race and gender.

Judge Swart asked what would

have happened if applicants to those posts were only white males, to which Grobler answered: "They would not have appointed anyone. They may have re-advertised the posts."

Grobler said white male attorneys had a legitimate expectation to be promoted or appointed on merit.

If appointments were made from the outside, new posts should be created to accommodate the new candidates. This would ensure that the rights of serving personnel were not infringed.

The case continues.

Court asked to set aside justice dept appointments

Stephané Bothma

(176) (176)

BD 21/11/96

PRETORIA — In the first case of its kind, public servants yesterday challenged the right of government departments to make arbitrary affirmative-action appointments.

The Public Servants' Association and a senior state attorney claimed in the Transvaal Supreme Court that anti-discrimination laws promulgated by President Nelson Mandela had been blatantly ignored by Justice Minister Dullah Omar and Public Service Minister Zola Skweyiya at the expense of highly qualified white, male justice officials.

The 100 000-member association and attorney Fanie Swanepoel claimed the departments had acted unlawfully by reserving vacancies at state attorney's offices for affirmative-action appointments.

This follows Omar's decision to fill 30 vacant posts by means of a quota system which would see two affirmative-action appointments to every one merit appointment. The court is being asked to set aside affirmative-action appointments made last year and to set aside the quota system of filling vacancies in the justice department.

Sixteen white, male state attorneys, in line for promotion to the advertised posts, applied but were never called before a selection panel. The men had experience ranging from four to 21 years and had all been earmarked for priority advancement because of the quality of their work, the court heard.

The justice department's decision to reserve senior vacancies for women and people of colour was conveyed to senior officials on October 27 last year. This decision, the court heard, had been in contradiction of the public service staff code which states that "methods used and/or instruments utilised in the selection process ... should be free of racial and gender bias". The association claimed this decision was unlawful because it had not been negotiated or come about through consultation.

Omar's decision also violated their constitutional rights which guaranteed equality, administrative justice and legitimate expectation.

Omar, in papers opposing the application, denied that white, male applicants were ignored. "Their appointment would, however, obviously not promote, but indeed undermine, the constitutional demand for greater representivity. That is why the selection committee preferred those candidates whose appointments would promote greater representivity."

He submitted that Section 11 of the Public Service Act — which states "no person who qualifies ... shall be favoured or prejudiced" in filling government posts — was in conflict with the requirement of section 212 of the constitution that the public service be representative and efficient. The act also demands that only the qualifications, efficiency and suitability of candidates for public-servant posts be considered.

The applications continue today.

Public service in the dock over affirmative action

Stephané Bothma

PRETORIA — Affirmative action went on trial yesterday when 16 senior white state advocates accused Justice Minister Dullah Omar and Public Service Minister Zola Skweyiya of discrimination and unlawful disregard for the Public Service Act.

"From July last year they started ignoring the provisions of the Act and took decisions in the dark corners of their offices without anyone knowing," senior advocate Gerrit Grobler told the Transvaal Supreme Court.

He argued on behalf of the Public Service Association and senior state attorney Fanie Swanepoel that the two ministers and the Public Service Commission should be interdicted from amending existing provisions of the act. A justice department decision that all advertisements for vacant posts in the department should state intent to promote representivity should also be set aside, he told Judge Buddie Swart.

The application was supported by 15 state advocates who applied for senior posts last year but were not even called before a selection panel.

The court was asked to set aside 30 appointments made by the department last year, including nine of deputy state attorney and 18 of senior assistant state attorney, and to order the department to fill the posts strictly in accordance with the act, which stated that no person who qualified would be

favoured or prejudiced and that only qualifications, training, merit and efficiency would be taken into account when appointments were made.

The attorneys turned to the Supreme Court after Omar's decision in October last year that only women and people of colour would be considered for posts to promote the constitutional demand for greater representivity in the public service. This led to state attorneys with experience of four to 21 years — most with merit ratings — not even being considered for promotion.

Instead, a woman, Gadija Behardein, who had only a year's experience in the state attorney's office and four in law elsewhere, was appointed deputy state attorney.

Her husband, MN Hendricks, was employed by the department and was the man to whom inquiries about the advertised posts had to be directed, court papers said.

At least nine of Behardein's white male colleagues applied for the post. All had been senior assistant state attorneys for between eight and 10 years and each had about 19 years' service with the department.

The state attorneys told the court they recognised that affirmative action was necessary and lawful to attain the objectives of the constitution. However, Omar had ignored the provisions of the constitution which entrenched

Continued on Page 2

Advocates

Continued from Page 1

equality by unfairly discriminating against white males, had infringed on their right to administrative justice, and failed to apply procedurally fair administrative action, threatening their rights or legitimate expectations.

Omar filed a counter application for an order declaring that the act permitted the race and gender of candidates to be taken into account to promote a public administration representative of SA's community.

The application, which could end up in the Constitutional Court, continues today.

See Page 5

176
BD 21/11/96

(176) (176)

BD 21/11/96

Public Service's affirmative-action policy in the dock

(176) Star 22/11/96

Counsel for the Public Service Commission and Public Service Minister Dr Zola Skweyiya yesterday told the Pretoria Supreme Court that any public authority was entitled to adopt a policy on affirmative action and needed no statutory authorisation to do so.

Senior counsel JJ Gauntlett argued before Mr Justice Swart that an application by the Public Servants' Association against the commission, Skweyiya and Justice Minister Dullah Omar, concerning affirmative-action appointments in the department which allegedly discriminated

against white males, should be dismissed.

Counsel for the PSA, G L Grobler SC, argued that an amendment to the Public Service Staff Code in respect of affirmative action had been made arbitrarily and without any negotiation or consultation. Grobler said the applicants' fundamental rights not to be discriminated against on the grounds of race and gender and their right to procedurally fair administrative action had been infringed.

Gauntlett said the PSA's argument that the affirmative-action

policy was unfair discrimination in terms of Section 8 of the Constitution was "wholly misconceived".

"It is submitted that affirmative-action measures, far from interfering with equality, actually ensure that equality can be achieved," he said.

Wim Trengrove, counsel for the Justice Minister, said the Department of Justice was required in terms of the Constitution to promote greater representation in making appointments.

It was unrepresentative of SA's community due to past discriminatory practices, he said. - Sapa

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NEWS

Some senior executives threatened to resign or close their businesses

Top businessmen oppose the imposition of racial quotas (176)

ET(BR) 22/11/96

THABO LESHILO

Johannesburg — Most business leaders in South Africa endorse affirmative action but are vehemently opposed to the imposition of racial quotas in appointments and promotions, according to a study by the South African Institute of Race Relations that was released today.

Researcher Anthea Jeffery said some of the 22 senior executives of top local companies canvassed were so opposed to quotas that they said they would resign or close their businesses if such measures were introduced.

Companies canvassed for the study, titled "Business and Affirmative Action in South Africa", include Anglovaal, Coopers & Lybrand, Investec, Frame, Johnson & Johnson, Eskom, Ingwe, Kellogg, Liberty Life, Malbak, Iscor, Absa and Philips.

Seshi Chonco, the director for corporate affairs and organisational dynamics at Caltex, disagreed: "Business in South Africa will not change unless it is changed through pressure. So we need quotas. We also need an instrument for measurement against clearly defined goals and timeframes."

To Chonco, the difference between quotas and targets was simply semantic. "If you speak of quotas, you say that by the year 2000 you want 40 percent of management to be women, for example. If you speak targets, you say the same."

Danie Cronje, the chief executive of Absa, said in the report that his bank needed to make its management and staff more representative of the population to improve its service to its various market seg-

ments. Between 40 and 45 percent of Absa's clients are black.

The companies' executives laid a strong emphasis on the need for training and education as key elements in affirmative action. Some of them said they were re-examining their employment policies and selection criteria to make sure there were no hidden barriers to employment and advancement.

"We have been removing all the barriers for many years," said Basil Hersov, the chairman of Anglovaal.

"Removing the informal ones is not, of course, as easy as eliminating the formal ones. We need huge educational process. People should not feel threatened," Hersov said.

**Executives
laid a strong
emphasis on
the need for
training and
education**

Affirmative action argued in court (176)

PRETORIA: Any public authority was entitled to adopt a policy on affirmative action and needed no statutory authorisation to do so, counsel for the Public Service Commission and Public Service Minister Dr Zola Skweyiya told the Supreme Court here yesterday. *PT 22/11/96*

Mr Jeremy Gauntlett, SC, argued before Mr Justice J Swart that an application by the Public Servants' Association against the commission, Skweyiya and Justice Minister Mr Dullah Omar, about affirmative action appointments in the department that discriminated against white males should be dismissed.

The Department of Justice has filed a counter-application.

Counsel for the PSA, Mr G L Grobler, SC, has argued that an amendment to the Public Service Staff Code on affirmative action had been made arbitrarily and without any negotiation or consultation in the relevant negotiation forums.

The application continues today. — Sapa

'Need' tips scales

(176) ~~2000~~
Stephané Bothma

PRETORIA — White male state attorneys in line for promotion had been considered for 30 vacancies in the justice department, but the pressing need for affirmative action tipped the scales against them, the Transvaal Supreme Court heard yesterday.

Wim Trengove SC, representing Justice Minister Dullah Omar in a matter in which 16 white male state attorneys are questioning the constitutionality of the justice department's affirmative action programme, told the court that Omar was under a constitutional injunction to promote broader representivity in his department.

The attorneys applied for senior vacant posts last year, but claimed because of discrimination they had not even been called before a selection panel. Less experienced women and people of colour had been appointed.

"The department did in fact consider all the applications received, but the need for wider representivity was stronger. The department had to put a thumb on the scale in favour of affirmative-action appointments," Trengove argued.

Omar denied agreeing to implementation of a quota system of two or three affirmative-action appointments for every one other appointment. Trengove said the department last year was in a position where many vacancies had to be filled urgently.

"But the minister was faced with a dilemma. In terms of the constitution and the Public Service Act he was obliged to pursue and promote a greater representivity within his department, and this could be done only by taking the race and gender of applicants into account."

However, the directives of the Public Service Commission on the

other hand obliged the minister to ignore race and gender.

"Minister Omar found himself between the devil and the deep blue sea," Trengove told the court. Omar turned to Public Service Minister Zola Skweyiya for "help", the court heard.

Skweyiya then issued a special directive stating that affirmative-action candidates would be preferred and not that other candidates would not be considered, which directive Omar followed "exactly as requested", the court heard.

"Whether the directive is valid or not, as far as the justice department is concerned, it acted at all times as it was obliged to do under the constitution and the directive," Trengove said.

Jeremy Gauntlett SC, representing Skweyiya, told the court there was no need for the matter to be brought to court and structures existed where the issues could have been dealt with.

The matter continues.

BD 22/11/96

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White men take on Omar in war of experience versus colour

By MARLENE BURGER

AFFIRMATIVE action was in the dock in the Transvaal Supreme Court this week. Arguing for it was counsel for the Justice Minister, Dullah Omar. Opposed was counsel for a senior white male employee of the Justice Department and his trade union.

The case, the first affirmative action lawsuit in South Africa, has for the past year held 30 senior posts in state attorneys' offices countrywide to ransom.

Brought a year ago by a senior assistant state attorney, Fanie Swanepoel, and the 100 000-member Public Servants Association, the case's outcome will have far-reaching implications for all white male public servants seeking advancement.

It will also serve as an embryonic test of the power of the Constitution to override legislation designed to protect public servants from discrimination on the grounds of race or gender.

The case accuses Omar and the Public Service Minister, Zola Skweyiya, of unlawfully reserving vacant posts for affirmative action appointments, and of doing so without first negotiating with the trade union.

Swanepoel, who has 13 years of experience as a state attorney and was earmarked for promotion, is one of 16 white males who applied for the posts, advertised last November, but were never even called before the selection panel.

Appointments were offered instead to less-experienced women and people of colour, none of whom have so far been able to start work. The appointments were frozen when the court granted the Public Servants Association an interdict in February to halt the process pending the outcome of its lawsuit.

One of those who was offered a post as a deputy state attorney is Gadija Behardien, who had a total of five years' experience. Nine of her white male colleagues, all senior assistant state attorneys for between eight and 10 years, were overlooked for the post.

The dispute was sparked by a decision taken on October 27 last year that vacant posts in the Justice Department would be reserved on a ratio of two to one for affirmative action appointments, and that all posts which fell vacant this year would be filled according to this quota.

However, legal argument presented before Mr Justice Buddy Swart this week shows that the case has ramifications far beyond the filling of the 30 posts, in Pretoria, Johannesburg, Cape Town, Port Elizabeth and East London.

At the heart of the dispute is the legal interpretation of Section 212 of the

interim constitution, and the measure of protection of individual rights offered by Section 8.

Section 212 prescribes the promotion of an efficient public administration which is "broadly representative" of the South African community.

Omar's counsel, Wim Trengove SC, argued that this requirement made it incumbent on the minister to ensure that appointments reflect the racial and gender make-up of the population and that, in terms of a special dispensation granted by Skweyiya, he was perfectly entitled to implement his affirmative action policy.

Trengove's argument stands in sharp contrast to Section 11 of the Public Service Act, promulgated by President Nelson Mandela shortly after taking office, which states that "no person who qualifies ... shall be favoured or prejudiced" in filling government posts.

According to Gerrit Grobler SC, who is acting for the association, Omar and Skweyiya began ignoring the legal provisions governing appointments from July last year, and "jumped the gun" by obtaining dispensation to implement an affirmative action plan without consulting the union.

"In a state of transition, where the majority is pressing for the immediate realisation of those ideals for which they have fought so long, a culture of abusive power might easily be created, but this must be resisted with all the guarantees offered by the Constitution. This case is not about resistance to affirmative action, it is about whether the state subscribes to the very rules created for the process, and whether the cabinet ministers involved are acting according to the Constitution," Grobler told the court.

The Public Service Act clearly states that only the qualifications, efficiency and suitability of candidates should be taken into account for public service posts. But Trengove argued that this supports Omar's action, since "suitability" of candidates extends beyond such factors as experience and qualifications when seen against the constitutional demand for a "fully representative" public service.

He told the court white male candidates had been considered for the vacant posts, but the urgent need for broader representivity had weighed more heavily than their prospects of advancement.

Judgment in the case is not expected before January, but the matter is unlikely to end there. Whatever the ruling handed down, it is likely the losing side will pursue the matter on appeal. It might ultimately be up to the Constitutional Court to decide the fate of white male public servants seeking promotion.

The outcome will have far-reaching implications for the careers of all white male public servants

Call for dedicated affirmative action department

(176)

ET (BR) 9/12/96

STUART RUTHERFORD

Durban — Cosatu's KwaZulu Natal executive committee yesterday called for the establishment of a separate government department to monitor the implementation of affirmative action and threatened to act against companies in the province that were not performing in this regard.

Its regional secretary, Paulos Ngcobo, said companies in South Africa still did not reflect the country's population and

were not doing enough to close the wage gap.

The committee further called on the government to provide training to enable workers to move between sectors and to restructure the Unemployment Insurance Fund in a way that it would provide better security in cases where people lost jobs.

Ngcobo said training was particularly necessary in the endangered textile industry in KwaZulu Natal, where its affiliate, the South African Clothing and Textiles Workers' Union

(Sactwu), had a membership of 70 000.

But, he said, the government needed to take measures to defend the local industry, including the provision of supply-side incentives.

Ngcobo said: "The main campaign, next year, will be around the hours of work. If Madiba is not going to intervene then there is definitely going to be action."

The committee also resolved that business and labour should work out a common strategy for dealing with crime in the urban

areas and that tougher measures were needed to crack down on lawlessness.

Ngcobo said Cosatu in the province needed to work towards the banning of firearms for everyone, except the police. But several members attending the meeting felt this should be debated further within Cosatu.

On the issue of export processing zones, the committee said it was against having them in the province since they had no respect for the working conditions of labour.



Signing: Denmark's Alf Jönsson and Western Cape Education Minister Martha Olckers

SA education deal with Danes nets R46-million

Aimed at training jobless
 ARG 11/12/95 (179) (179)

SABATA NGCAI
 EDUCATION REPORTER

An organisation that provides education and training for youths and young adults has been given R46-million through a joint venture between the Western Cape Education Department and the Danish government.

In terms of an agreement signed this week between provincial Education Minister Martha Olckers and Danish Ambassador to South Africa Alf Jönsson, the Danish Ministry of Foreign Affairs is to make a R23-million grant to the National Access Consortium of the Western Cape.

The education department will match this with R17,5-million from Reconstruction and Development Programme funds and R5,5-million from its own budget.

The Danish grant is part of more than R500-million pledged by the Danish government to help South Africa

in the period between the election in 1994 and the next in 1999.

The Danish package aims to help build democracy and boost education, land reform and business programmes for young entrepreneurs.

Mrs Olckers said the signing ceremony was the culmination of a deal struck early this year on a visit to Denmark at the invitation of the Danish government.

"I hope this is the forerunner for other provinces," she said.

Her comments were echoed by Mr Jönsson, who said his government had made the grant because it appreciated people had to continue their education if they were to survive in a more competitive world.

According to figures given to the education department, there are more than a million unemployed young adults in the Western Cape.

They do not have access to formal education and training, and are unlikely to find employment.

Pilot rural skills project 'big success'

Plans to expand

ARG 21/12/96

ARG 21/12/96

JILYAN PITMAN
STAFF REPORTER

The Western Cape's Triple Trust Organisation (TTO) plans to set up a regional office in Umtata next year to train unemployed people after the success of their pilot skills training sessions in rural areas.

This decision has been welcomed in many villages in and around Umtata "where people even want to study on Saturdays", TTO sewing trainer Susan Gongotha said.

Sewing and leatherwork courses were given in various community halls in towns in the Eastern Cape but other courses such as Business Introduction and Business Start-Up will be added in the future.

The Netherlands Government has already given funding for the project and other foreign governments have shown interest.

At Ngcele, near Tsolo in the Transkei - a village with a population of about 9 000 people - TTO trainers, in partnership with the Ngcele Top Community Development Forum, gave business and further skills training to many groups already undergoing some skills training there.

Graduates in this village covered a wide spectrum of people from young to old, including a married couple in their 80s.

Ms Susan Gongotha said: "The Eastern Cape trainees were so hungry for what the TTO was bringing them they could not get enough," she said. "This was not just a rural expedition that needed to be equalled with our normal training in Cape Town. We are catalysts and agents for change.

"We are there to light a flame so that when it lights up we can look back

with pride and say we were the ones that struck the match."

While the programme was taking shape, Phumlani Bukashe, co-ordinator of TTO's national expansion strategy, and a number of other TTO staff members, were involved in forming "strategic alliances" with provincial development authorities, meeting local chiefs and government representatives.

"We were successful in developing strong, positive networking contacts with the Eastern Cape government, raw material suppliers, loan institutions etc," said Ms Bukashe.

"We even received a request to train 150 Eastern Cape village-based development officers for the local government in our methods.

"The same model and structure would then be used from Her-

manus to Harare."

The TTO is a non-profit organisation committed to people empowerment through enterprise development. It was first started in the Western Cape in 1988 and so far thousands of previously unemployed people have taken courses and graduated and are now in a position to earn money.

This has been made possible through generous and faithful funding from several foreign government and local businesses. The Cape Argus is one of the donors to this worthwhile enterprise.

"Given the success of the pilot course and the enormous demand for further rural training it is hoped additional funding will be forthcoming," said a spokesman for the organisation.

"The cost of training one person to start a business is less than R2 000. TTO would like ultimately to make a significant impact in the rural areas as well as in the urban areas."

*Graduates from
one village
included a
married couple
in their 80s*

Retrenched white males take payout

(17b)
OWN CORRESPONDENT

Cape Town - The two white men who challenged oil giant Engen for retrenching them in favour of two black affirmative action candidates have accepted a payout as settlement of the dispute. *Nov 12/12/96*

Lani Martiny and Tim Overett, former senior managers in the oil company's human resources department, were retrenched with more than 300 other employees last year as part of a restructuring programme. Ironically, both men were involved in the company's affirmative action programme at the time.

The two challenged the oil company in the Industrial Court, demanding full reinstatement, but accepted an out-of-court settlement at the end of November.

They have been sworn to secrecy about the amount offered by Engen, but labour consultant Michael Bagraim, who represented them in the Industrial Court, described it as "handsome".

Bagraim felt it was unfortunate that no judgment would be given by the court, as the country desperately needed a clear policy on affirmative action.

Financial sector hires more blacks

(7b)

CHRISTO VOLSCHENK

CT (BR) 12/12/96

Cape Town — The blackening of the workforces of banks, building societies and insurance companies is proceeding apace.

According to the Central Statistical Service, 18 percent of building societies and banks' employees, and 21 percent of insurance companies' employees were black at the end of the third quarter, up from 16 and 19 percent last year.

Whites made up 61 percent of banks and building societies' workforces, down from 65 percent, and 59 percent of insurers' workforces, down from 60 percent.

At the same time, banks and insurance companies employed more people. The workforce at banks increased from 124 000 to 130 000 and insurance companies' workforces from 72 000 to 75 000.

Affirmative action plans scrapped by Govt

(176) Star 12/12/96
By MONDLI MAKHANYA
Political Reporter

The Government has scrapped its programme aimed at filling 11 000 affirmative action civil service positions, Public Service Administration Minister Zola Skweyiya announced yesterday.

The programme's aim was increasing race and gender representation in the civil service. It had resulted in a flood of more than two million applications being received by the Government.

However the programme, known as Jobs for South Africa, had been fraught with problems and only 2 000 of the 11 000 advertised posts had been filled.

Skweyiya said yesterday that the rationalisation of the civil service, had created "problems and delays" for the programme.

"Because of the problems experienced in filling the posts and the length of time the project has been dragging, my ministry has decided to discontinue this project," Skweyiya said.

Since the advertisements were

placed in national newspapers, only 2 311 vacancies had been filled. Of these, 1 209 had been recruited from outside the civil service and 1 112 through promotions and transfers. There were still 3 307 vacancies which would be filled by provincial administrations and national Government departments.

Skweyiya said a higher level of "representativeness" had been achieved by the advancement of 1 096 Africans, 151 Asians, and 268 coloureds. Also, 1 026 women were hired or promoted.

Govt gives up on 'Jobs for SA' plan

Drew Forrest

GOVERNMENT'S Jobs for SA project, in terms of which 11 000 affirmative action posts were advertised in the public service, has been abandoned with fewer than a quarter filled.

Public Service Minister Zola Skweyiya said yesterday that because of problems in filling the posts and "the length of time it has been dragging", it had been decided to stop the project.

Jobs for SA was launched shortly after the 1994 general election in an attempt to promote a more racially representative public service.

The project raised questions of how government would honour its pledges to downsize the service, make it more racially representative and retain those already in jobs.

A government spokesman said the posts, including 246 of director and above, had fallen vacant because of natural attrition over several years.

The former office of the Public Service Commission had co-ordinated the advertising campaign in the national media, while state departments and provinces had been given responsibility for filling vacancies.

There were reportedly 2-million applications for the jobs, mainly from black people.

A 150-member interdepartmental team reportedly worked around the clock processing the applications.

Skweyiya said it had subsequently been found that the actual number of vacancies was 9 629. Of these, a total of 2 311, or 24%, had been filled by means of transfer, promotion and appointment of candidates.

BD 12/12/96

(176)

A further 4 222 posts, or 43,8%, had been abolished as a result of the rationalisation of the public service, leaving 3 307 posts unfilled. It would be the job of departments and provincial administrations to fill these posts, Skweyiya said.

He said that despite the slow pace of recruitment, progress had been made in making the public service more accessible. The project had resulted in the advancement of 1 096 black people, 268 coloured people and 151 Asians, while eight disabled people had been appointed.

Gender representativeness had been addressed by the recruitment of 1 026 women, or 44,4% of the total.

Government sources said the recruitment drive had foundered because of poor planning. In particular, departments and provincial administrations had provided inaccurate information on the number of vacancies, having included both jobs which were filled and "funded vacancies" destined to be abolished in terms of public service rationalisation.

"Posts were put on hold because of the uncertainty surrounding them," a source said. "The process was overtaken by restructuring."

In addition, many of the applications had come from those lacking the necessary job qualifications.

Public service ministry spokesman Thandeka Gqubule said the aim of Jobs for SA had been to make the public service "psychologically acceptable" to formerly disadvantaged groups by showing that it was now open to them. Affirmative action in the public service remained a high priority, she said.

GROSS OBFUSCATION

FM 20/12/96

Government says it has not abandoned its flagship affirmative action programme — Jobs for SA. It is on track to meet its target of a service that's 50% black and 30% female by the year 2000.

In a week of gross obfuscation, a statement from the former affirmative action directorate claimed that more than 40% of the 11 000 posts earmarked for affirmative action had been abolished, with less than a quarter filled.

It was also belatedly discovered that

the original number of vacancies was 9 629 and not 11 000.

But the Ministry of Public Service & Administration denies that the programme has been aborted. The press statement is "a mistake" and should never have been released, says Minister Zola Skweyiya's spokesman, Thandeka Gqubule: "We have not had a major affirmative action flop. There is no review of the affirmative action programme and no abandonment of policy."

She says the outdated press release merely reflects that the administration of the programme has been shifted from the Public Service Commission to the line functions. This devolution is "in line with the thinking of the White Paper on Public Service Transformation."

But the line departments and provinces have been responsible for filling the posts from the outset, according to Nelson Veerasamy, director of Affir-



Zola Skweyiya

mative Action Programmes in the Public Service Department. He explains that the Jobs for SA programme — launched soon after the 1994 election — was overtaken by the rationalisation process and the need for "effective government."

In amalgamating SA's 11 public services into a composite administration, the structures of departments were changed. Posts had to be abolished and, where the work content had changed, re-advertised. It was in this

process that 43% of the 11 000 Jobs for SA posts were abolished. The remaining 3 307 posts are to be filled by the various departments and provincial administrations.

According to the press release, 2 311 Jobs for SA posts have been filled by transfers, promotions and new appointments. Of these, 1 096 are black, 268 coloured, 151 Asian and eight are disabled. More than 44% of the posts have been filled by women.

Veerasamy says affirmative action in the public service is proceeding "very well" and targets will be met.

Work remains to be done in each occupational class, especially at middle and lower levels. "That is where we need to train and empower individuals on a continuing basis. The bottom line is that there must be an efficient service."

Meanwhile, government is under renewed fire for offering voluntary severance packages while a moratorium on retrenchments is in place.

Western Cape DP leader Hennie Bester says: "The combination of these two policies is destroying the ability of the provincial public service to render the services it should."

So far more than 30 000 applications for the package have been processed nationally, but a ministry spokesman could not say how many people had been granted voluntary retrenchment.

In the Western Cape, nearly a third of the planning directorate staff at Agriculture, Planning & Tourism have been granted voluntary severance packages, including the director and five of the 15 town and regional planners.

Of the 545 people employed in the housing department, 79 have applied for the package, including three deputy and five assistant directors. ■

Demographics are spur to affirmative action

Shareen Singh

MANY SA businesses support affirmative action for demographic reasons as the slow growth of the white population will increasingly result in a shortage of white managers, according to a study by the South African Institute of Race Relations.

In the context of a declining skilled white population, affirmative action was necessary for business reasons rather than any moral imperative, some businesses leaders suggested in the study, entitled Business and Affirmative Action.

Affirmative action "is essential if you want your business to continue operating in 20 years' time", Coopers and Lybrand chairman Hancke Scheepers said.

According to Scheepers, there were more than 13 000 white managers retiring annually, matching the annual increase in the white population.

Supporting this view Nissan SA executive chairman John Newbury said there was an urgent need to relieve the pressure on the existing small core of white managers.

BD 31/12/96 (178)
"We have 40-million people in this country, and an enormous part of the overall burden — in terms of tax and management — is carried by a very small nucleus of people. It's not adequate. It's not sustainable," Newbury said.

Other business leaders believed measures such as affirmative action were necessary to harness the full resources of the country. The existing skills shortage had a negative effect on the economy and could only be rectified through the development of the skills of the black population, the business leaders maintained.

The reasons for embarking on affirmative action were either moral or business imperatives, or both, the study found.

All the business leaders interviewed in the study agreed that old prejudices and stereotypes persisted and were difficult to address.

For instance, in the mining community under Ingwe Coal Corporation, white employees believed blacks did not have an aptitude for technical problems and that they could not assume leadership roles because in their culture elders gathered under a tree and solved problems rather than individuals making decisions, Ingwe MD David Murray said.

Such attitudes were strong and deep-seated and were informal barriers to affirmative action, he said.

Take some 18th-century advice, and jump to it

CT (AR) 16/1/97

JABULANI SIKHAKHANE.

BUSINESS EDITOR

Voltaire, the 18th-century French philosopher and satirist, once observed: "If you see a banker jump out of the window, jump after him. There's sure to be profit in it."

In today's world, with all the pitfalls of banking, Voltaire's advice is unlikely to be followed. Slightly adapted, however, his description rings true of the black economic empowerment process.

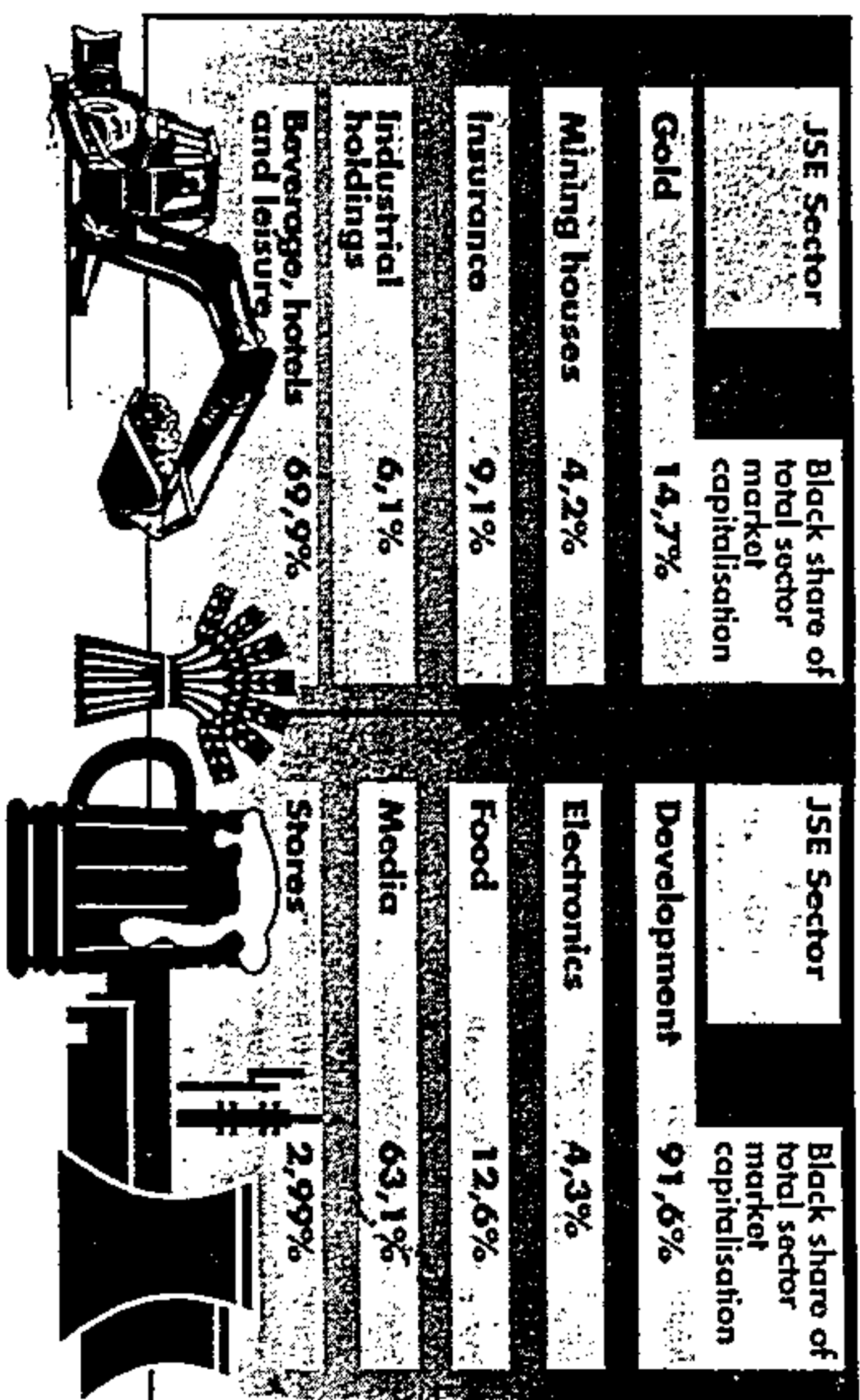
Black business has had a lot of jumping to do, and given South Africa's history of economic inequality, it has been necessary not to wait in the lobby for the next elevator but to devise the quickest way downstairs.

Since the 1994 elections ushered in the new South Africa, last year stands out as one of the best thus far for black empowerment. Black investor groups ended the year either owning or in a position to have influence over 34 listed companies with a combined market value of R115,5 billion or 10 percent of the total value of all listed shares on the JSE.

Of this R115,5 billion, some 90 percent was acquired during 1996, thanks in large part to the Anglo American Corporation, which sold control of Johnnies Industrial Corporation (Johnnic) for R2,7 billion to the National Empowerment Consortium (NEC) and JCI for R2,8 billion to the African Mining Consortium.

With Johnnic came such big companies as SA Breweries/Bevcon, Premier and substantial stakes in the print and electronic media. Among the biggest achievements of 1996 was that several new black investor groups came to the fore, some completely new and others emerging from the woodwork where they had been hibernating for a while.

Of more importance were women-led investment groups, the Women Investment Portfolio and Salukazi Dakile-Hlongwane's Nozala Investments. Trade union-related investment companies such as the Mineworkers Investment



Company and Sactwu Investment Company also made their mark.

But 1996 was not only about acquisitions. The elder statesmen of the black economic empowerment process, New Africa Investments Limited (Nail), Thebe Investment Corporation and the Real Africa group, spent the most part of the year doing spring cleaning and rearranging investment furniture.

Nthato Motlana, who deserves the title of patriarch of the current phase of black empowerment, spent most of the year weaning his Nail group from Sanlam, the Cape-based mutual insurer. Nail unwound its complicated preference share structure which, ahead of listing in 1994, it had used to finance the purchase of an additional 20 percent stake in Metropolitan Life from Sanlam.

In addition, Nail also beefed up its executive team with the appointment of Cyril Ramaphosa as executive deputy chairman to join Dikgang Mosenke, the other executive deputy chairman. Ramaphosa was later appointed the chairman of Johnnic.

Ramaphosa and Mosenke have put to rest concerns about Motlana's successor. These arose because Nail's ultimate controlling company is NH Motlana & Son,

the son being Jonty Sandler, the managing director of Nail. It would have been an anomaly, a politically incorrect one for that matter, were the pale and male Sandler to inherit the reins at Nail.

NH Motlana & Son was renamed Corporate Africa Entrepreneurs (CAE), with Mosenke and Ramaphosa brought as shareholders in addition to Motlana and Sandler. In this way Mosenke and Ramaphosa not only strengthened Nail's management team but also helped rectify that anomaly.

At Real Africa, Don Neube was fairly active, adding a few medium-size companies (all of his acquisitions last year worth in R400 million) to his shopping basket. Furthermore, Neube also strengthened his executive management team with the appointments of Danie Vlok, Shams Pather and Kofi Fordwor as executive directors of the group.

Pather, formerly an executive director in charge of investments at Southern Life, will run Real Africa Asset Management (RAAM), a joint venture with Sanlam. On the other hand, Fordwor, ex-General Securities, will play a significant role in the development of the group's financial services interests.

The whole empowerment process, par-

ticularly the takeover of Johnnic, has not been without its detractors who, among other things, have cast aspersions on the empowerment, or lack of it, of the financing mechanisms used.

Part of the criticism stemmed from the fact that, at least until last year, the nature of the empowerment process was such that it favoured the opportunistic and the dashing — "opportunistic" not in any negative sense of the word, but as in someone who sees an opportunity and goes for it.

Given the successes of 1996, what's the outlook for this year? Early indications are that most of the action will be in gaining as consortiums scramble for licences in the provinces. Scope for deals of the size of Johnnic and JCI appears limited, although sizeable assets in the form of Southern Life and First National Bank, both controlled by Anglo American, appear to be available for sale "at the right price".

On the positive side is the fact that several empowerment groups begin 1997 with thick wallets — a far cry from previous years when they had to go cap in hand to financial institutions.

Neube's Real Africa group enters 1997 with a significant cash hoard to finance acquisitions following last year's R400 million rights issue.

So does Johnnic, which realised some R420 million from the sale of its stake in Toyota South Africa.

Durban-based Dynamo Investments, led by Oscar Dhlomo, the former secretary-general of Inkatha, is also cash-flush following the doubling-of its capital to R200 million.

Nail's restructuring of its capital structure, creating the low-voting N shares, has placed the group in a better position to finance acquisitions.

So, next time you see a black businessman (and a merchant banker hanging on to his coat tails) on the window ledge, take Voltaire's advice, grab your cheque book and follow him. There is sure to be some deal downstairs.

NP drags heels on affirmative action

From page 1

(176) (213)
ARLT 17/1/97
breakdown of the number of senior managers in the province's public service showed 49 were white, 20 coloured, one was Indian and one was black.

In middle management, only seven were women of whom two were white, two coloured, two black and one was Indian.

Figures for the Cape Town Metropolitan Council, the province's largest employer of public servants, reveal 93 percent of its top management are white and seven percent coloured. No black people are in top managerial positions.

The council's middle management is 90 percent white, nine percent coloured and one percent black.

Mr Madzhivhandila also said cutting the education budget, resulting in 6 000 teachers losing their jobs, and the health budget made life difficult for civil servants.

The workshop, developed in co-operation with the John F Kennedy School of Government at Harvard University in the United States, was sponsored by the Otis Elevator Company.

Peter Franks, dean of the faculty of management sciences at the University of the North who co-ordinated the workshop, said more than 130 of the country's about 160 public administration academics had attended previous workshops and many of them had moved to senior positions in the public service.

Herman "Dutch" Leonard, academic dean for teaching programmes at Harvard, said the workshop was initiated to stimulate South African institutions of higher learning to develop programmes that could help people from widely different backgrounds move into positions of authority in the new government.

White rule lingers on in the Western Cape

WILLIAM MERVIN GUMEDDE
POLITICAL STAFF

The National Party-dominated Western Cape provincial government is dragging its feet on redressing apartheid racial imbalances - there is only one black senior

manager in the administration, according to research.

The administration lacked the will to implement affirmative action programmes, a national public administration workshop heard in Cape Town yesterday. Lusani Madzhivhandila of the public

administration department at the University of the Western Cape told the workshop there were large race and gender inequalities in top management echelons of the province's public service. He said a

To page 3

(176)
ARLT 17/1/97

NP hits back at Cape 'white rule' claims

WILLIAM-MERVIN GUMENE
POLITICAL STAFF

The National Party-dominated Western Cape provincial government has hit back strongly at claims that the party is dragging its feet on affirmative action.

A University of the Western Cape study reported in the Cape Argus last week showed that the provincial administration had only one black African senior manager

and that almost 70 percent of senior managers were white.

But, said Kobus Meiring, the NP MEC for finance, allegations that his party was purposely excluding black Africans were unjustified. Affirmative action was part of a process, and not an immediate goal for the provincial administration.

"It will be senseless just to appoint people to fill quotas or figures, as we need to ensure that standards and efficiency are maintained," Mr Meiring said.

PRG 22/1/99
The Western Cape administration would not "surrender productivity and high delivery levels" and would thus implement affirmative action in a responsible way.

He admitted the administration "had not made any giant strides towards implementing affirmative action", but added it was well on its way towards reaching "acceptable targets".

By saying the provincial administration was dragging its feet by "merely quot-

ing numbers" was naive. "One needs to take the history of the province into account. Two years ago the senior management in the province's civil service was exclusively white, now it is more representative," he said.

Mr Meiring said the administration did not lack the will to implement affirmative action and had appointed a special programmes officer to oversee affirmative action programmes. This officer would start next month. (76) (28)

MANAGEMENT

Blacks warned about board tokenism

Shareen Singh

BLACK executives should guard against accepting single non-executive directorships offered as a way of elevating their status, key businessmen have cautioned.

National Empowerment Consortium chairman Mashudu Ramano said there was a misconception that the more directorships one held the more importance it added to one's stature.

"It is understandable, in this euphoric period of transition, that black executives were a bit too keen to get into company boardrooms," Ramano said. He warned, however, that executives should be careful of what they took on and should assess whether

they could add commercial or "transformative value" to a company in which they did not have any direct interest.

"It is a different matter if a person sits on the board of a company which pays his salary and its subsidiaries. In this case, he has a direct influence on the policy direction of the company and therefore a direct responsibility."

Ramano expressed concern that executives were taking on too much and "spreading themselves too thinly" to make any real impact in the boardroom. Black business groups might need to start discussing the issue.

Backing Ramano's views, New Africa Investments chairman Nthato Motlana said black executives were not obliged to join the board of companies

in which they did not own equity. They had a choice and should exercise it strategically in areas where they could make a significant contribution.

He said there was some legitimacy in the view expressed by a few businessmen monitoring the "people on the move" section of newspapers that some companies were appointing black executives as a way of enhancing their credibility rather than for the person's expertise or insight.

"I sit on several boards which are linked to my profession or my commitment to social upliftment, such as the Get Ahead Foundation, or in companies where my input can enhance profitability," Motlana said.

Keith Kunene, executive director of

(176) 08 23/1197

Kunene Brothers, said participation by black executives at boardroom level could help change the mind set of companies and bring them in line with the realities of SA. However, one should not simply accept every non-executive directorship that comes along but rather ask "why am I being approached and can I add value to the company — or am I being chosen as a token black?"

According to P/E Corporate Services, non-executive directors are paid either an annual fee, a quarterly fee or a monthly retainer. The average annual fee is R23 640, with a maximum of R51 800; the quarterly fee average was R4 025 with a maximum of R8 500 and the monthly fee ranged from R1 475 to R3 000.

Empowerment of blacks 'not at grassroots'

BUSINESS REPORTER

(176)
ARU 24/1197

Black economic empowerment is not getting through to grassroots level, according to Gerard Bakoro, chief executive of the soon-to-be-launched Lakabane Investment Holdings.

"Many of the recent empowerment deals have been more a case of the empowerment of friends and family - empowerment of the few," Mr Bakoro said yesterday.

"There are a lot of development trusts around the country which represent regional economic forums and black entrepreneurs and are being completely overlooked by the big players when concluding their empowerment deals."

Mr Bakoro believes there is a lot of empowerment business to be done within these niche groupings and has recently put together a share ownership deal between the Stellenbosch-based SA Organic Fertilisers and a number of development trusts.

Mr Bakoro declined to put a figure on the deal or the extent of the shareholding.

"The first factory is to be built in Atlantis early this year and there are plans for more around the country - this is true empowerment."

Mr Bakoro believes it is only through such deals that the forums which make up the development trusts will get to feel a part of true economic atonement as opposed to the "mythical" black economic empowerment.

"These forums and consortiums are far more representative of the people and are better equipped to take economic empowerment down to grassroots level."

Mr Bakoro's focus in this area has seen his business grow from portfolio management for individuals into the larger realm of asset management and investment advice for the development forums. And he has set his sights even higher.

Mr Bakoro said: "I have drafted proposals to set up a merchant bank to facilitate much more true black economic empowerment."

"I see no reason why we should not be able to, and we are already talking to international and local partners for this project."

Toyota starts black empowerment plan

(176) (188) Lower on 24/11/97

By Isaac Moledi

IN a bid to increase its contribution to black economic empowerment, the country's leading motor manufacturer, Toyota South Africa, intends enlisting the services of more black-owned businesses in Gauteng and KwaZulu-Natal.

The company says more than R3 million had been spent over the past two years and will be substantially increased this year.

According to the company's marketing and accessories purchasing manager, Brian Hunter, the reason for the small business development at Toyota SA is two-fold.

"From a social responsibility point of view, Toyota recognises the need to contribute to the upgrading of local industry and to create employment for disadvantaged groups," he says.

Adding that from a business point of view the support affords an opportunity to create a broader supplier base which will in the long term benefit Toyota, its dealer network and supplier base, as well as users of such goods and services.

"Black dealerships have been an integral part of Toyota's marketing strategy for many years.

Small business development is encouraged and promoted within our marketing strategy," says Hunter.

Affirmative action favours Indians, claims Cosatu

(176)

ARGUS CORRESPONDENT

ARG 27/1/97

Durban - Cosatu is facing racial tension among its KwaZulu-Natal membership, who feel Indians are being favoured by white bosses implementing affirmative action.

Cosatu provincial secretary Paulos Ngcobo said the issue would be discussed among shop stewards at a top-level meeting.

He said the "favouring of Indians" was becoming a major problem and there had been many complaints.

Mr Ngcobo said the worker profile in companies should reflect the make-up of the local population.

"There are more blacks living in KwaZulu-Natal, but this is not reflected in the job situation. Most of the top jobs are held by whites. Employers - according to our members - also favour Indians for top jobs. Blacks are left out. We now have to take this fight into the boardrooms," said Mr Ngcobo.

Some 'have-nots' don't want extra help

By **DESMOND BLOW**

THE MAJORITY of whites and Indians are "opposed to affirmative action", a survey by Market Research Africa reveals.

But seven out of 10 blacks think it a good policy, and 69 percent of them believe the process should mostly favour blacks - while 64 percent also agreed it should also favour women in general.

A large majority of whites (62 percent) feel affirmative action is "bad" for the country and almost as many Indians (59 percent) feel the same.

Most Indians insist that affirm-

ative action helps no one, not even themselves, and especially not women.

(176)
The interviews were conducted at homes on a one-to-one basis, with 2 501 people being questioned.

Blacks and coloureds feel that affirmative action should favour five groups: blacks, coloureds, Indians, the disabled and women in general.

A large majority of blacks, 58 percent, say the disabled should benefit.

Surprisingly, there is far more support among blacks for "Indians to benefit from affirmative action" than there is among Indians themselves.

Only 41 percent of Indians believe they should be favoured by affirmative action.

There was only one concession among whites: 39 percent of them agreed that the disabled should be favoured, but 36 percent disagreed..

Coloureds put themselves third in line for benefits from affirmative action. The majority of coloureds, 56 percent, believe that affirmative action should favour women and the disabled above anyone else.

Fifty-four percent of employed blacks said affirmative action had made their lives easier, while 36 percent said it made no difference.

ep 2/2/97

Armcor outlines its aims to boost blacks and women

176 (176) (176) ~~176~~ Stan 7/2/97
By NORMAN CHANDLER
Defence Correspondent

National arms procurement organisation Armcor is rapidly changing its policy in favour of organisations and people who were previously disadvantaged.

This was made clear in Pretoria yesterday when executive chairman Ron Haywood told representatives of the local defence industry that empowerment and ensuring representation of communities previously excluded would feature among its future goals.

"We are taking concrete steps to bring together traditional contractors and potential contractors, particularly from the small and micro-enterprise sector."

Haywood said Armcor had been competitive in both the international and local marketplace, but at the expense of developing human potential.

"We have been found guilty of what is regarded as the most serious of all oversights: not paying sufficient attention to the development of our human resources. Physical and intellectual resources must be transformed better, quicker and cheaper into products and services."

Haywood said Armcor's affir-

mative action programme required 70% of all appointments on an annual basis to be drawn from black people and that 30% of its senior staff should be women. A quarterly audit was undertaken to ensure this was being adhered to.

Because there was not a surplus of black or female scientists, engineers and technicians, Armcor had developed a "talent pool" which would help the organisation and the

“
Guilty of the most serious oversight
”

industry in general to become more representative of the country.

He urged defence industry firms, of which there are about 800 who subcontract to Armcor on various projects, to embrace economic empowerment.

This would help to make South Africa more competitive on world markets, as the country was currently low in the "competitive league."

Mandela defends affirmative action

'State policy is not racist'

ARG 13/2/97 (176)

CLIVE SAWYER
POLITICAL CORRESPONDENT

President Mandela has hit back at critics who accused his Government of racism because of its affirmative action programme.

Replying to the debate in the National Assembly on his opening speech to Parliament, Mr Mandela said the Government's policy of affirmative action was based on the constitution.

The Government had stated repeatedly it was providing training and fair opportunities to those who for years, by law, had been denied these rights.

"After years of deliberate neglect and exclusion, any other course of action would be disastrous," he said.

Mr Mandela challenged those who had characterised these efforts as racism. His administration was acting sensitively towards those who had been privileged by

the previous system, while empowering those who had not.

Mr Mandela said his opening speech had outlined a gamut of concrete plans for this year. He called on all sectors of society to hold himself and all levels of government to account for success in these aims.

Mr Mandela hit back strongly at criticism about the power of unions.

"It might ring familiar and reassuring to those who despise the workers, to paint the trade union movement as an ogre to be feared ... But it does not help to clarify the question of the real forces involved in transformation ... who are working together to build our economy."

Responding to criticism of the Government's track record in combating crime, Mr Mandela said: "We cannot claim to have realised everything we wish to achieve, but no one can question the commitment of this Government to deal with the root causes of this problem."

Star 14/2/97

Black women to get top prison posts for first time

(176)

POLITICAL STAFF

Cape Town - The Department of Correctional Services has appointed its first black women to top posts. Correctional Services Minister Sipo Mzimela yesterday announced the appointment of Lunga Tseana as provincial commissioner of the Eastern Cape and Dorothy Makhuzha as commander of Pretoria's Baviaanspoort Prison.

Both women were surprised by the announcement.

"We thought we were coming to Cape Town for a conference," Tseana (45) said shortly after hearing the news.

"My husband doesn't even know yet," was the reaction of Makhuzha (35).

Tseana will assume control of the department in the Eastern Cape after 21 years working in the province's prisons.

"I have a background of social work and have been involved with prisoner rehabilitation programmes for 21 years now. I'm really looking forward to the new challenge of managing the department in the province," Tseana said.

"I don't see the difficulties, I see the challenges. I have been working with

these people for many years and maybe it will even be to my advantage being a woman."

Taking charge of the massive, all-male Baviaanspoort Prison does frighten Makhuzha "just a little bit" but she is confident she is up to the job.

"I've also worked with prisoners for the past 10 years and this shouldn't be that different," she said.

"Obviously one of the first things will be to meet with the prisoners and let them know what to expect, that life is not going to be any different because a woman is in charge."

Born and bred in Hebron outside Pretoria, Makhuzha worked for seven years at Pretoria Central Prison before being transferred to Leeuwkop Prison in Sandton.

She will take up her new post at Baviaanspoort on April 1 after a month of orientation and training.

"I always wanted to be a director or commissioner but I never thought it would happen so quickly. I don't doubt my abilities to handle the job, and I'm just happy the minister had the confidence in us to chose us from so many," she said.

Provinces: recommendations of Browde/White Commissions

*24. Mr A J LEON asked the Minister for the Public Service and Administration:

Whether, with reference to his reply to Question No 9 on 6 November 1996 (standing over from 30 October 1996), he has received any response from the Auditor-General to the effect that provincial governments which have not implemented and/or taken action in terms of the recommendations of the Browde and White Commissions of Enquiry are to be penalised when budgetary transfers take place in the next budget; if not, (a) why not and (b) what steps has he taken to expedite a response; if so, what was his response? N163E

The MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION:

(a) Yes, the Auditor-General was requested to assist in monitoring the implementation by the Provincial Government of the actions in terms of recommendations of the Browde and White Commissions of Enquiry. The Auditor-General indicated that his Office will assist with monitoring whether the Provincial Administrations have implemented the recommendations and will report thereon to Parliament and the applicable Provincial Legislature in terms of the provisions of the Auditor-General Act, No 12 of 1995. The Auditor-General's Office has further indicated that the details regarding the frequency of reporting, etc. will be discussed with the Joint Standing Committee on Public Accounts of Parliament.

Presently the implementation of the recommendations/findings of the Judge White[Browde] Commission are being challenged in court in the Eastern Cape. The argument centres around whether or

not proceedings of the Commission which were not presided by the Judge in person constitute proper proceedings as provided for in terms of the Constitution of 1993.

Since the matter is *sub judice*, I will not go into the details of the issues raised.

(b) Falls away.

Payment of Ministerial advisers

*25. Mr K M ANDREW asked the Minister for the Public Service and Administration:

Whether the Government has formulated a comprehensive policy in respect of the payment of Ministerial advisers; if not, what is the position in the regard; if so, (a) what is this policy and (b) when is it to be introduced? N164E

The MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION:

Yes.

(a) The policy basically entails the following:

(i) Every member of Cabinet shall be entitled to appoint two special advisers unless Cabinet approve that the provision be exceeded. The President and the Executive Deputy President are entitled to appoint special advisers to their discretion and the number is not confined.

(ii) The basis of remuneration of special advisers is an all-inclusive package and provides for three different remuneration levels in order to accommodate different levels of expertise.

(iii) The following all-inclusive tariffs was approved by Cabinet effective from 1 July 1994:

REMUNERATION LEVEL	PART-TIME TARIFF	FULL-TIME TARIFF
I	R120 per hour	R19 200 per month
II	R150 per hour	R24 000 per month
III	R180 per hour	R28 800 per month

Cabinet approved that the all-inclusive tariffs be revised as follows effective from 1 July 1996, when all public servants received increments:

REMUNERATION LEVEL	PART-TIME TARIFF	FULL-TIME TARIFF
I	R129 per hour	R20 640 per month
II	R162 per hour	R25 920 per month
III	R194 per hour	R31 040 per month

The effect of the all-inclusive tariffs is that special advisers receive no fringe benefits which other public servants are entitled to eg. car allowances, medical aid, pension, housing subsidy, etc.

(iv) Full-time special advisers also qualify for 2½ days leave per month and 3½ sick days leave per month. Up to 30 June 1996 this leave accumulated but lapsed upon termination of the contract. Cabinet has approved that leave gratuity be paid to special advisers on termination of service under specified circumstances' effective from 1 July 1996. In all other circumstances other than the specified circumstances the accumulated leave lapses, except in case of death or permanent disability which is not the result of own doing, in which cases a gratuity is payable.

(v) Remuneration level I is applicable to a person that enjoys noticeable national recognition as a competent expert and the complexity of his or her advice is comparable to that given by a Director in the Public Service. Remuneration level II is applicable to a person who enjoys recognition as a competent expert at national level and the complexity of his or her advice is compara-

Hansard

ble to that of a Chief Director. Remuneration level III is applicable to a person that enjoys recognition as a competent expert at national and even international level and the complexity of his or her advice is comparable to that of a Deputy Director-General.

(b) The policy was originally approved by Cabinet on 1 July 1994.

owing to:

(aa) the expiry of the period of service laid down in his or her original or extended contract; or

(bb) his or her voluntary resignation in accordance with the conditions of his or her contract during an extended contractual service period

State tenders: affirmative action criteria

*26. Mr K M ANDREW asked the Minister of Finance:

(176)

Whether the State Tender Board has developed any formal or informal affirmative action criteria as regards requirements for the granting of state tenders; if so, (a) what are these criteria and (b) in what way are these criteria linked to performance and cost-effectiveness?

The MINISTER OF FINANCE:

Yes. The State Tender Board has developed a formal system, known as the Preference System, which applies affirmative action criteria in the granting of state tenders. The Preference System was adopted by Cabinet in December 1995 as part of a 10-point plan developed by the Procurement Reform Task Team and accepted by the State Tender Board in order to make the tendering system more accessible to previously disadvantaged persons by making them more competitive in relation to well established companies.

(a) The system is based on the principle of promoting ownership by previously disadvantaged persons, and works as follows: Out of 100 points, a maximum of 10 points can be awarded to a tenderer on the basis of the extent of equity ownership by previously disadvantaged persons. On the same basis, a maximum of two points may be awarded for percentage ownership by women. The lowest tenderer on price is awarded 88 points. In the case of building and construction contracts, emphasis is placed on the promotion of RDP principles, i.e. 10 points are awarded for the promotion of RDP principles and 90 points are scored by the lowest tenderer on price basis. Tenders are therefore not awarded on a price basis only, but are awarded to the tenderer who scores the highest number of points.

(b) As can be seen from the description of the system just given, the criteria themselves are not related to the administration of the contract, but to its granting. As with any other contract the administration of the contract is regulated by the conditions of the tender.

The whole area of achieving socio-economic objectives through procurement is entered into in more detail in the Green Paper on Public Sector Procurement Reform due to be announced in about 10 days time. If the

hon member would wait until then, he would be fully informed on the proposed mechanisms to implement a procurement system which simultaneously facilitates the participation of previously disadvantaged persons, without compromising principles such as fairness, competition and cost efficiency.

Government's relationship with governments of other countries

*27. Mr C W EGLIN asked the Minister of Foreign Affairs:

(1) Whether fundamental human rights and violations thereof have any influence on the government's relationship with governments of other countries; if not, why not; if so, on what criteria does the government base its assessment of violations of human rights by governments of other countries;

(2) in respect of what countries has the violation of human rights influenced the Government's relationship with the government of that country;

(3) Whether the Government has raised the issue of the violation of human rights with the governments of any other countries; if so, which government?

N166E

The MINISTER OF FOREIGN AFFAIRS:

(1) Yes. The criteria for assessing violations of human rights by governments of other countries are set out in international human rights instruments, although these have not been universally accepted, neither is there universal agreement on the importance which should be accorded to different human rights. The standards adopted in the Constitution of the Republic of South Africa, 1996, and especially the Bill of Rights, also serve as a basis for evaluating other states, as does public opinion in South Africa, but these are perforce balanced by all other

pertinent factors such as the nature and severity of the human rights violation and internal and external mitigating factors, including progress being achieved in giving respect to fundamental human rights.

(2) The question of human rights is one of the number of factors that impacts continuously on the relationship of the Government towards all other governments since all countries are accused, to a greater or lesser extent, of being guilty of some human rights violations.

The question of human rights has for example influenced South Africa's relations with countries in Europe and Asia. South Africa imposed a moratorium on the export of armaments to Turkey in May 1995, primarily over concerns regarding human rights violations in that country.

The widespread violation of human rights in the former Yugoslavia meant that South Africa was unable to effectively pursue its bilateral relations in that region.

With the implementation of the Dayton Accords after more than three years of war, most human rights abuse has ended. South Africa is now in a position to re-establish its relations and is working towards normalising relations in that region.

The SA Ambassador in Vienna is accredited to Slovenia and Croatia, and the SA Ambassador in Sofia is accredited to the Federal Republic of Yugoslavia, Former Yugoslav Republic of Macedonia and Bosnia/Herzegovina. At the conclusion of that visit of President Ratsfanjani to South Africa last year, no joint communiqué was issued because South Africa could not, during bilateral discussions, accept the Iranian standpoint on human rights.

However, Iran has co-operated with the UN human rights monitoring mechanisms,

allowing the UN Special Rapporteur on Religious Intolerance, the UN Special Rapporteur on Freedom of Opinion and Expression, and the UN Special Representative on Iran to visit that country. South Africa welcomed these visits.

(3) Yes. Human rights considerations are now an integral part of South Africa's foreign policy and are raised as a matter of course in discussions and negotiations with other governments.

In the past year the Government was deeply involved in the discussions on the issue of human rights violations in the Commission on Human Rights in Geneva and in the deliberations in the UN in New York.

In 1996 South Africa was elected to the Commission on Human Rights. I wish to reassure the House that we will participate fully in this Commission.

Indonesia's occupation of East Timor

*28. Mr C W EGLIN asked the Minister of Foreign Affairs:

(1) What is the Government's policy in regard to Indonesia's occupation of East Timor;

(2) whether the Government has had any discussions with the government of Indonesia on this issue; if not, why not; if so, what was the (a) nature and (b) outcome of these discussions? N167E

The MINISTER OF FOREIGN AFFAIRS:

(1) South Africa supports the present initiatives of the United Nations (UN) in bringing about a comprehensive and internationally acceptable solution to the question of East Timor. Thus, South Africa supports the present tripartite UN sponsored talks, involving Indonesia and Portugal, under the aegis of the United Nations Secretary-General. South Africa's position was made public in a Department

AFFIRMATIVE ACTION

HELL FOR BLACKS TOO? ●

(176)
FM 21/2/97

Affirmative action and black advancement tend to raise the blood pressure of the average middle-aged white man. But he isn't the only one feeling the heat.

For black professionals, it's easy to find a job. There's aggressive demand for their skills. But many say their work environments are so stressful they find it impossible to stay on.

Nine months ago, Maja Mokoena was headhunted by a large merchant bank looking for black executives who were "director material." He was taken on at the highest level of management — one level below a directorship.

Mokoena, who went into exile in 1976, has a masters degree from Johns Hopkins University and spent a year at Harvard business school. He worked in finance and business planning at IBM group headquarters in Japan and speaks fluent Japanese and German. His last job was at Citibank, where he says he was given considerable responsibility and regularly dealt with clients.

Mokoena says every attempt he has made to do his job has been blocked. "Why did they recruit me if they're not going to use me at all? There's an assumption at the bank that none of the black people has any skills. If I were offered a directorship now, it would be a joke. I've done nothing to earn it."

The stress is taking its toll — on his business performance, his private life and his health. Under pressure, he sometimes suffers migraines. This occurred once in the 18 years of his exile. It has happened three times in the past nine months.

"The most stressful thing is trying to behave rationally when you're faced with irrational responses from other people."

Author of *Who's Afraid of Affirmative Action* Christine Qunta says the stress for black professionals is "twice as high as that for whites. Everyone has their

corporate battles, but having to contend with cultural alienation, hostility and being constantly undermined adds to that enormously."

Recent research by the Association of Black Accountants concludes that "for Africans in particular, the process of qualifying as a chartered accountant can be traumatic. It may undermine confidence in yourself, your ability and your culture."

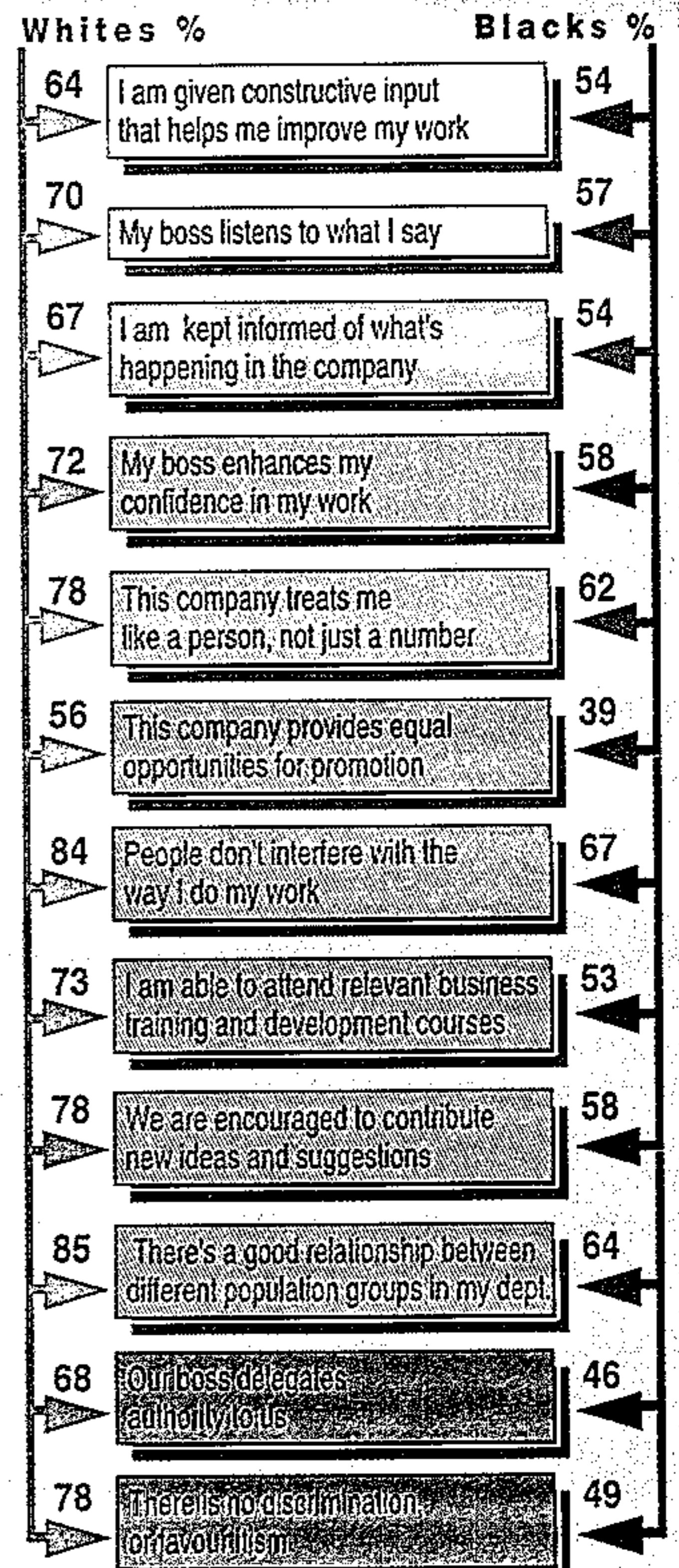
Trainee accountants felt they were not exposed to the kind of experience they needed, that they were expected to conform rigidly to their firms' culture and that people around them thought and

talked in terms of racial stereotypes.

Stress-related disorders are becoming more connected to black advancement in SA. A study last year found that black middle managers at Eskom suffered twice the stress levels experienced by white colleagues.

PG Bison executive director John Moalusi attributes the growing tensions in the workplace to a change in dynamics. "It's a question of different expectations. Women and blacks are saying it's

HOW EMPLOYEES PERCEIVE THEIR WORK ENVIRONMENT*



* Financial organisations, 4 670 white collar staff & 860 black

SOURCE: SPOT THAT ZEBRA



Louis Matsimela . . . spent four years waiting for promotion

But he says he has still been given no responsibility and is doing the sort of work he'd expect of an entry-level staffer with an undergraduate degree.

He says he has brought the bank a number of deals, all of which were judged viable, but nobody would work on them. A business plan he drew up was also ignored.

He says he met with hostility from his colleagues, who were angry that top management appointed him without consulting them. He took this up with his superior, who told him it was just politics and it would pass.

THE PRICE OF THE BLACK SKILLS SHORTAGE

HEAD-HUNTERS ON THE PROWL

A combination of aggressive demand and thin supply is generating a number of unpleasant side effects in the market for black staff.

Not only are fully trained black people more expensive to hire than their white counterparts, but firms which spend time and money grooming staff risk losing them to an increasingly predatory head-hunting industry.

"We might have spent 10 years and R200 000 training someone for management and another organisation — which may have no real commitment to affirmative action or staff development — will poach him or her for an extra R50 000," says FNB assistant GM Doc Pascoe.

This is a good example of misapplication of resources. The premium paid for a fully trained black candidate doesn't fulfil any "affirmative" or development purpose; it's just a symptom of market conditions.

The size of the premium varies. P-E Corporate services head Martin

Wescott says "there are isolated examples of black senior managers being poached at premiums of up to 40%-50% above prevailing market rates."

Out of about 750 organisations, 22% said they'd be prepared to pay a black senior manager over 20% more than a white applicant. And 31% said they'd pay him or her 15%-20% more. The ceiling on the premium paid for skilled staff is closer to 20% (see chart).

The market is not only small; it's also skewed. A lot of people have

good arts or social science degrees but few come from a technical background.

"The dominant areas for affirmative action appointments are in marketing and human resource management," says FNB senior manager David Maepa. "We've been asking ourselves why there are fewer technical people."

UCT industrial psychology lecturer Max Sully says it's "the historical product of training. But there's now a shift in the orientation of students — an increasing acceptance of the value of the sciences and technical training.

"The real affirmative action growth is needed in the core and line function-orientated management positions."

But at present, Wescott says, "to find a black chief engineer, for example, is almost impossible."

Good production and technical managers will be at the top of the head-hunter wanted list for some time to come. *Adrienne Roberts*

WHAT THE BLACK ELITE ARE EARNING				
Premium as a % of average salary				
	Up to 10%	10%-15%	15%-20%	Over 20%
Senior management	25	32	31	22
Middle management	21	40	26	13
Skilled Staff	57	29	14	-

SOURCE: P-E CORPORATE SERVICES

their right to be taken seriously. Simply getting the job is not enough.

"And white men have become a lot more aggressive in defending their rights. They believe they have nothing more to apologise for, so they're prepared to show far greater resistance to any affirmative action process than they've shown before. I've seen that happening much more openly."

There is a growing belief that the only way for affirmative action to succeed is to make work environments more conducive to change. "If you don't get the culture of your organisation right, you have no chance of success. And you lose your staff," says First National Bank (FNB) assistant GM Doc Pascoe.

Reserve Bank Deputy Governor Timothy Thahane sums up the most important elements in implementing affirmative action:

□ "The process has to be driven by top management." Pascoe says the CEO must be seen to support it sincerely and unequivocally;

□ "The policy has to be pushed through at middle management level. Line managers and supervisors need to make the

kind of job assignments and create the kind of environment that will develop and support individuals' performance and help retain staff. Managers continuously have to ask themselves what they could be doing to help their staff perform better, and they need to get feedback from staff on what is needed;" and

□ "The process has to include training and mentorship."

Webber Wentzel associate Mosh Thulare says mentorship is vital. "You're in a place that is culturally new and sometimes hostile. You're not sure how to raise issues and you're usually not taken seriously when you do. It can be alienating."

He says one of the things that has kept him with the firm is a good rela-

tionship with one of the partners, who provides support when necessary.

"I find the more familiar I get with the firm and the better I get to know the people, the less I need to rely on him," says Thulare.

But few organisations get all the elements right.



Maja Mokoena . . . "why was I recruited if my skills aren't being used?"

Research by Spot That Zebra marketing & management consultancy CEO Barbara MacDonald has shown white managers are often unaware that black employees are unhappy (see chart).

Black and white workers, though more or less agreed on some things, often differ widely on issues like the levels of discrimination in the company and the extent to which

approaches.

Such a culture could include things like *ubuntu*, which Product Development Laboratories MD Kennedy Murire defines as an all-embracing concept encouraging "trust, interdependence, sharing and reciprocity as key tenets for the sustenance of society and human advancement."

Another part of the transition is convincing white men they are not going to be the subject of a witch-hunt. "White employees should not see their role as purely transitional — just training black people who will take over and put them out of a job," says Mthembu. "They should be able

to see themselves as a vital part of the team, building the business together."

"Affirmative action is not about putting incompetent people in positions where they can't cope and doing good people out of a job," says Mokoena. "It is about recognising the people who



Ngeni Mtimkulu . . . the most valuable information often comes from small talk

have the ability and training and putting them where they can be productive."

Says Maepa: "Whites should be saying: 'We're still the dominant power in this organisation; we can become more competitive and we can make ourselves indispensable'."

Adrienne Roberts

WHY QUOTAS DON'T WORK

THE TEMPTATION OF TOKENISM

Last November, California held a referendum proposing that affirmative action in the public service should be banned. The motion was carried by a slim 54% majority.

Though some interpreted this as an admission of failure, *Financial Times* Los Angeles correspondent Chris Parkes says US commentators believe it was a case of knowing when to stop. After 30 years, the policy was becoming counter-productive.

For example, in Los Angeles, black staff hold 63% of jobs in the postal service but make up only 10% of the labour force. Hispanics — 35% of the labour force — hold only 15% of the jobs.

And nationally, 20% of the US postal service is black but blacks form only 10,5% of the national population.

This suggests US-style affirmative action worked extremely well for blacks. The problem is that it was implemented solely through quotas. Candidates received no job training or development.

The result is, 30 years later, the number of blacks in management and supervisory positions is still less than 10%. About 5% are professionals and about 12% occupy clerical positions.

So the US's huge affirmative action bill — reportedly about R100bn — has made little contribution to investment in human capital.

In SA, the Labour Department's Green Paper on affirmative action has avoided quotas, opting for negotiated targets. The approach takes into account practical difficulties within sectors and seeks to measure performance qualitatively.

But pressure remains for companies to display as many black faces as possible — whether they belong to people who have been deprived and genuinely need a leg up or fully qualified candidates in no need of "affirming."

Tokenism is becoming widespread, not just on individual but on company level.

"We're under incredible pressure to set up a separate company that has black shareholders and directors,"



Maepa and Pascoe (inset) . . . "trying to be politically correct is a disservice to the people we're developing and promoting"

says the head of a company that does contract work. "They'll get the business and we'll do the work. They'll get some income for doing the marketing, but we'll get the lion's share of the income."

He adds: "You're going to see a lot of this sort of thing. What else can you do when you're confronted with impossible tender board demands?"

Nafcoc official Sam Zwane recently criticised government's insistence that companies bidding for State tenders have black shareholders or be joint ventures. He says it doesn't benefit black business, only a few blacks who lend their faces to white firms to help them get contracts. "The regulations need to focus on the training of black partners in ventures instead of merely requiring a black presence."

"We don't believe in taking the token route because sooner or later you're going to get caught out," says FNB senior manager David Maepa.

"Trying to be politically correct is a disservice to the people we're developing and promoting and would have only short-term benefits for us. The aim is to have a sustainable programme that will boost their role in the economy."

FNB assistant GM Doc Pascoe cites BP's requirement that tenderers state the extent of their commitment to change. "We're going to see more of that in the private sector. And as the black empowerment groups start doing business with large corporations, the groups are going to start asking questions too."

Adrienne Roberts

Monday February 24 1997

STAY 24/2/97
SAA seeks

new heights in affirmative action

(370) 3(176)
BY MELANIE-ANN FERIS

South African Airways is advancing its affirmative-action policy.

The focus of the programme is to identify suitable affirmative-action managers and to train them to ultimately represent SAA both locally and internationally at the airline's destinations.

Leon Els, senior manager for SAA public relations, said yesterday the programme did not necessarily mean there would be an increase in destinations for the company, because these were usually determined by market demand.

Els said the programme was an extension of SAA's long-standing affirmative-action policy, which included the cadet pilot school for candidates.

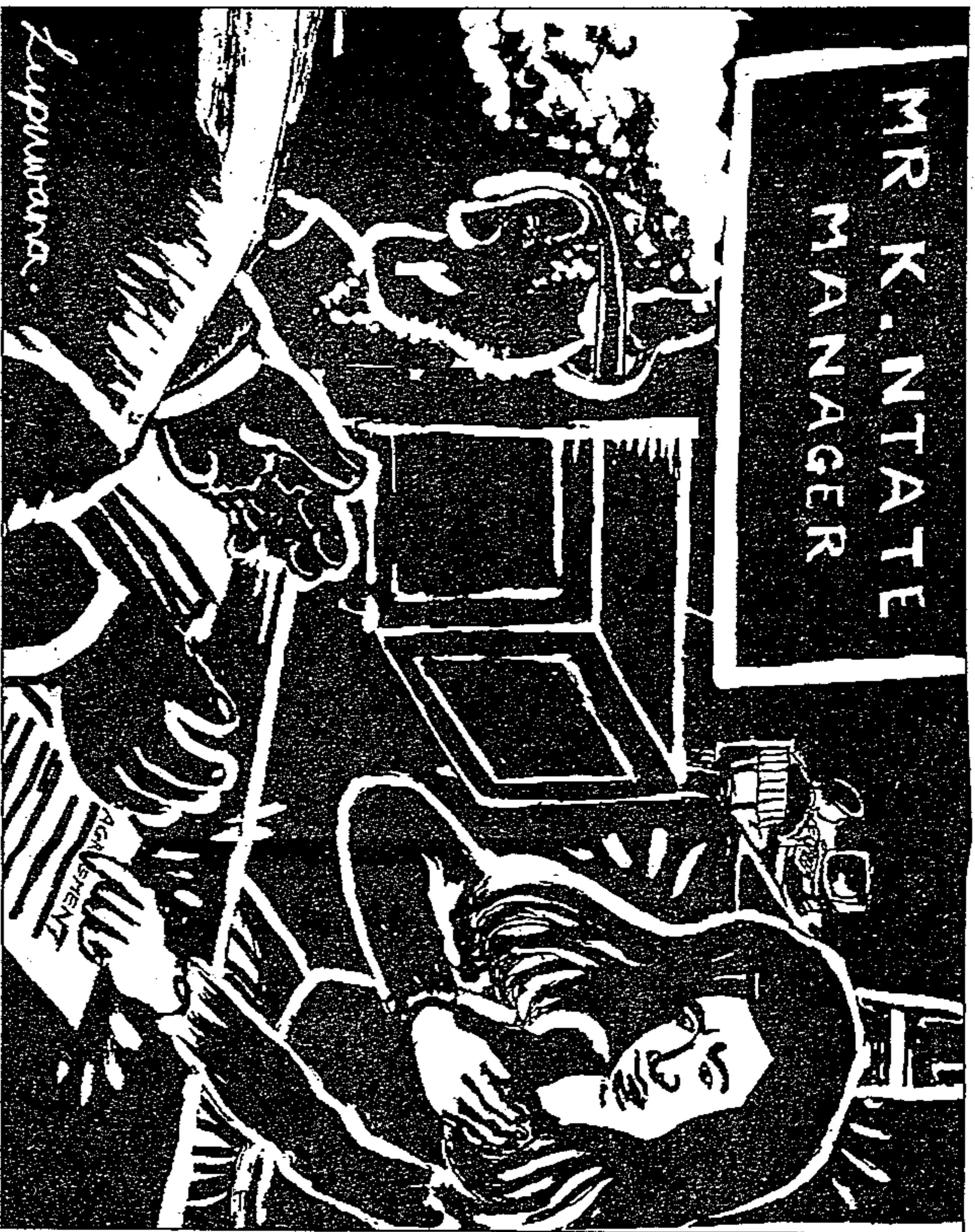
All candidates selected from SAA and outside the company would undergo 30 weeks of training, starting in April, which would involve accelerated practical and theoretical training covering aspects such as passenger and cargo handling, cultural diversity, leadership development and financial skills.

Els said the project would start with an initial six candidates and could be extended later depending on the success of the programme.

Zukile Nomvete, executive director of Transnet, said good business acumen, with excellent communication and interpersonal and negotiating skills, would be crucial for these positions, which he described as challenging.

Affirmative action 'entrenches second-class professionalism'

of 26/2/97 (176)



On this page last week, the views of several black practitioners in human resources were quoted on some of the obstacles to black advancement and empowerment in the workplace.

A reader, who preferred to identify himself only as a "regular Grappler", kindly took the trouble to submit a comprehensive argument in response to some of the issues raised.

The argument, against affirmative action, had been delivered in an address last year — and by no less a personality than that well-known television trekker, Denis Beckett. Yes, he of Beckett's Trek fame.

It's a pull-no-punches address in which Beckett confides that most of the anti-affirmative action talk is uttered by "groups of grouchy white males in private".

In typical non-nonsense fashion, he says affirmative action is a mistake and that everyone knows it is not working to order because it is not correctly applied.

However, noting that "it is said that) the principle is great, superb — just a pity that silly people like employers mess it up", he predicts that in the end, like communism and apartheid, the principle itself will have been played wrong.

This is because the programme installs tokenism as a way of life, is "criminally wicked to its alleged beneficiaries", entrenches the idea of "second-class black professionalism" and, finally, sabotages the economy.

Beckett says everyone who argues for more and faster affirmative action programmes has emphasised that "we don't want tokenism — tokenism is out". Yet companies are confronted regularly with the question: "Where are your black executives?"

Under pressure, the company selects a black person — whom the company would not have selected by the normal criterion of an expected ability to master the job — as a general manager.

"Invariably, this process begins with high hopes and a certain trepidation. Commonly, it ends in tears," Beckett says.

Gradually, the new executive's functions are taken over "de facto" by someone else — perhaps even his predecessor, who has become a "consultant" earning more than before.

With the new executive now blaming

the company for wilfully blocking him from real power, the company response is that he hasn't measured up to the job — and so the familiar token syndrome ("rank and income, but no task") continues.

"Of course," says Beckett, "there are times that our new executives rise extremely well, even majestically, to the task — in which case, hooray, affirmative action has worked."

Unfortunately, though, the success is temporary — "within an artificially short period that person is head-hunted by another company under the same pressure to demonstrate its affirmative action credentials ... the point is that this builds in a pressure that virtually ensures the tears at the end".

Beckett argues that the process gives rise to a "structural imperative" to promote managers multiple steps beyond their level of competence.

"The tears are not accidents or by-products," he says, "they are created by the process.

"The effects are tragic not only for the individuals caught in the machinery, but also for the overall quest to

bring a real, lasting black presence into the executive echelons."

As long as companies think they are judged by their complexions, tokenism will be entrenched and perpetuated.

Beckett then sketches the hypothetical scene at a "politically correct" conference, where the name of a prominent person climbing the corporate ladder is mentioned during tea-time — and is dismissed by black colleagues as being "just an affirmative action appointment".

Beckett poses the question that if the cause is so noble in the abstract, why it is such an insult in the person-al?

"No matter how you set out to sugar-coat affirmative action as a development programme, deep down inside everyone knows it is charity and there's nothing people hate more than receiving charity."

A worse scenario is when that charity "goes sour", as in the case of a "fast-tracked" affirmative action candidate who finds himself suddenly with a carpet, secretary and "three-window office".

"It's great ... a year later friends are asking what he actually does and it's less great. Five years later the carpet's worn out and he's tired of the

view and he's really seriously up inside. He's telling his 'These whites won't let me show them up.'

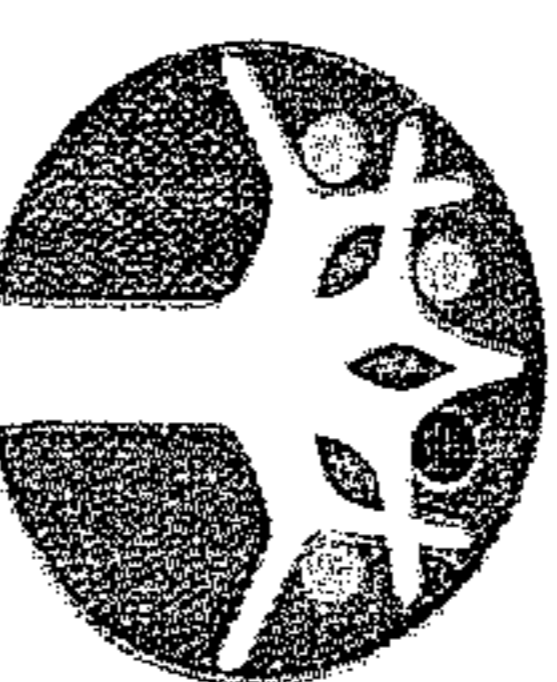
"His boss is telling his 'Nice chap, but no manager take responsibility.'

"I've seen people mess this way."

Explaining why he believes programme entrenches second-class professionalism, Beckett says "unsanitised truth" of what causes think of affirmative action that "it's a nice thing to have and a nice line to punt at but when you're on the table triple by-pass, well, call for Dr

As an illustration of the effect the policy sabotages the effect Beckett says he considers it is that after 30 years of "Zambian of affirmative action, worked and the main local I was crushing stone at the road

When people are appointed reasons other than their "pe ability to do (the job)". It is de to them and stigmatises other In the same bracket, Beckett says "You are also playing football loose with the one thing you allowed to play with — the econ



GRAPPLING WITH CHANGE

Ministers lose affirmative action battle

BD 5/13/97

(176)

Stephané Bothma

PRETORIA — A group of white male state attorneys struck a blow against unfair affirmative action appointments in the public service yesterday by winning an 18-month legal battle against Justice Minister Dullah Omar and Public Service Minister Zola Skweyva.

A ruling by Pretoria High Court judge Budie Swart, setting aside a 1995 decision by Omar not to consider white males for promotion to about 30 senior positions in the justice department, could have far-reaching implications for future appointments in the public service.

Omar was ordered to consider applicants for the 30 senior posts irrespective of gender, religion or race and in line with prescribed procedure. Only four positions had been filled by Omar with affirmative action appointments and the remainder were frozen last year by agreement. The four appointments were also set aside by the court.

The court had emphasised that the rights of officials, vested in legislation and prescripts, could not be disregarded, the Public Servants' Association of SA said.

Last year the association, supported by state attorney Fanie Swanepoel and 15 colleagues in the first case of its



OMAR

kind, challenged the right of government departments to make arbitrary affirmative action appointments at the expense of highly qualified white male officials.

The attorneys successfully applied to the court to set aside affirmative action appointments made by the justice department last year.

The court heard that the men, all in line for promotion to 30 advertised posts, had applied but were never called before a selection panel. They had experience ranging from four to 21 years and had been earmarked for priority advancement because of the quality of their work.

Instead, a woman, Gadja Behardien, with one year's experience in the state attorney's office and four in law practice, was appointed to the senior position of deputy state attorney. Other appointments also went to lesser qualified women.

The white men told the court they recognised that affirmative action was necessary and lawful to attain a representative public service as stated in the constitution, but that Omar had ignored provisions of the constitution which entrenched equality.

"I think that the facts fully justify

Ministers

Continued from Page 1

the conclusion that the white, male applicants for the state attorney posts have been discriminated against on those very bases — they are white and male," Swart found.

He said the promotion of a representative public service was not an automatic licence to discriminate against others. "The efficiency of the public administration cannot be compromised by promoting a broadly representative public administration.

"I do not read (the promotion of representivity) as warranting the sacrifice of an efficient administration and cannot believe that the legislature ever had that in mind," Swart said.

He said earmarking top posts for black or other preferences without due regard to efficiency would not only create a burden for society but would be unfair to better qualified applicants.

Swart said although no details had been supplied to court, there was a

strong possibility that the qualifications of those considered or nominated for the controversial 30 posts were, by no means comparable with the qualifications of the white male applicants.

The justice department had applied affirmative action without any discernible rationale, Swart said, adding that the male state attorneys had been unfairly discriminated against as referred to in section 8(2) of the constitution. Swart ordered the department to follow the prescripts for appointments according to the letter of the law and said the department's actions were a direct disregard of section 11 of the Public Service Act which stipulated that no one may be disadvantaged or benefit from the appointment to any post in the public service.

"The department therefore now has to start afresh with appointment according to correct procedure and applicants must be considered irrespective of gender, religion or race," the association said.

The court ordered that the justice department and the Public Service Commission jointly pay the legal costs.

Omar's policy (17b) 'discriminatory'

05/3/97

PRETORIA: An affirmative action policy implemented by the Justice Department in 1995 discriminated against white men, the High Court here ruled yesterday.

This followed an application by the Public Servants' Association and a male employee for the court to declare invalid the appointment of 30 senior state attorneys, because only women and blacks had been appointed to the posts.

Mr Justice J Swart said the appointments were contrary to the requirements of the Constitution, which demanded an efficient public administration.

He said it appeared that candidates nominated for the positions were sometimes not

as well qualified as other applicants who were rejected.

This would be a burden on society and unfair to more highly qualified applicants if public service posts were earmarked for blacks or women only.

This would amount to the exclusion of other applicants on the basis of race and gender.

Swart found that male applicants from the Public Servants' Association had been unfairly discriminated against and declared the 30 appointments invalid.

He ordered Justice Minister Mr Dullah Omar to ensure that the posts were filled in accordance with the provisions of the Public Service Act. — Sapa

Black empowerment critics

Metlife has most blacks in middle management

BUSINESS REPORTER

Metropolitan Life chairman Nthato Motlana yesterday hit back at criticism that he and other blacks in high profile positions had not done enough for advancing black empowerment.

Speaking at Metropolitan Life's (Metlife) annual meeting, Dr Motlana pointed out that 38 percent of Metlife's mid-

dle management was black - substantially higher than any other company in the South African financial services sector.

In addition to this, he said, 20 percent of Metlife's senior management and 57 percent of supervisory management was black.

"It is not only the highly visible positions where we are seeking black increments, but at every level of decision-making in our business," Dr Motlana said.

Metlife had also been the financier of three black businesses within the National Empowerment Consortium, which acquired Anglo American's 35 percent stake in Johnnic last October.

Dr Motlana sharply criticised the country's efforts in curtailing AIDS.

"I will tell you quite openly that I am appalled by the paucity of this country's effort in countering AIDS. I am referring not only to Government, but also to our

NGOs and the private sector. Neither sufficient money nor attention is being given to the problem."

He also criticised the proposed legislation to prohibit the pre-employment test for HIV infection.

"My quarrel is that the proposed Act is rather short-sighted in its thinking. Such legislation will only entrench the stigmatisation of AIDS." He said HIV-infected persons were



Dr Motlana: appalled by efforts to fight AIDS

already sufficiently protected by the Labour Relations Act which specified that employers may not unfairly discriminate against job applicants with disabilities.

"It is clear that most HIV-infected persons can remain healthy for a significant period of time and cannot, therefore, be prohibited from working."

Dr Motlana was, however, not opposed to pre-benefit medical testing for staff benefits, such as group life insurance.

ARC 5/3/97
- Motlana
(176)

slammed

Affirmative appointments invalid, court declares

ARGUS CORRESPONDENT

(176)

ARG 5/3/97

Pretoria - The Pretoria High Court has ruled that the Department of Justice's affirmative action policy, implemented in 1995, discriminated against white male attorneys.

This followed a successful application by the Public Servants' Association for the court to declare the appointment of 30 senior state attorneys invalid as only women and blacks had been appointed.

Earlier in 1995 the department had advertised the posts, including positions for state attorneys, deputy state attorneys and state advocates.

Passing judgement yesterday, Judge J Swart said the appointments were not in line with the constitution, which demand-

ed efficient public administration.

Judge Swart said it appeared that candidates appointed to the positions were sometimes not as well qualified as applicants who were turned down.

This would be a burden on society and unfair to more highly-qualified applicants if public service posts were earmarked for blacks or women only. It would amount to the exclusion of other applicants on the basis of race and gender, he said.

Judge Swart found that male applicants from the PSA had been unfairly discriminated against and declared the 30 appointments invalid.

He ordered Justice Minister Dullah Omar to ensure that the posts were filled in accordance with the provisions of the Public Service Act.

Commission wants more cash

The Gender Commission will not be able to do its job properly on the budget it has been given, says chairman Thenjiwe Mtintso.

She was speaking at the first meeting of the commission, held at Parliament, where Justice Minister Dullah Omar announced that R1,96-million was available for the current financial year and R2,059-million for 1997/98.

Ms Mtintso, whose full-time salary alone will account for R212 400 of the budgeted amount, said she could not understand how the commission, which was supposed to have been set up in 1994, could be allocated only R2-million a year.

Half of the amount would go merely to ensure that the commission survived.

Earlier, Mr Omar said the 12-member commission could make a major impact in the struggle for equality and towards ending domination over women and the "terrible culture of violence" that affected women and children in particular. It could also help create a more humane society.

The commission is expected to monitor and review gender policy in organs of state, statutory bodies and business organisations, make inputs on legislation relating to gender issues, run education programmes and monitor compliance with international conventions. - Sapa

ARG 5/3/97

I'm 'fed up of being a token'

Sowetan 5/3/97

By Abdul Milazi

WHEN Carlos Mokgojoa of Kagiso was employed as an environmental officer by the Krugersdorp Transitional Local Council in 1995, he thought he would change black areas around the small town for the better. But now he says he is tired of being a token black.

Mokgojoa, a qualified environmentalist and multiple award winner, feels short-changed by his employers who have not even allocated him a budget, unlike his white colleagues.

"Every little thing I want for my projects, I have to beg for. I am either told that there is no budget or sent from pillar to post. All I want to do is my job," says Mokgojoa.

Worked better

He says that he worked better while he was still with the Kagiso council - before the amalgamation of black and white councils in 1994.

"Then my projects survived through donations from the private sector - but at least something was done.

"In my present employment it seems things only get done for white areas. Black areas are neglected," says Mokgojoa.

In December he says he asked for seedlings to plant in Kagiso, Mansville, Witvalei and Lunasand.

"I was sent from one person to another in the administration. I went to our chief of parks, Leon van Zyl, who sent me to the guy in charge of the municipal nursery.

Half-dead seedlings

"That guy gave me half-dead seedlings. I refused to take them. I went back to Mr van Zyl to find that he had gone on holiday."

Mokgojoa decided to take 90 seedlings from the nursery without permission and plant them. The council opened a criminal charge against him for "stealing" the plants.

"I do not apologise for what I did. I will do my job by all means necessary. I am not happy to be just a token black who is supposed to sit in an office and twiddle my thumbs," says Mokgojoa.

Van Zyl refused to speak to *Sowetan*.



Carlos Mokgojoa says he is tired of not being taken seriously.

PIC: LEN KUMALO

Court sparks big affirmative action rethink

AR 6/3/97
(176)

Merit can't be ignored

MARGO GRANELLI AND JENNY VIALI
STAFF REPORTERS

Affirmative action policies throughout the country – including those being applied in government departments – are having to be revised in the light of a Pretoria High Court judgment that merit cannot be ignored in making appointments.

“It’s back to the drawing board,” a senior government official said today.

Mr Justice J Swart ruled this week that the Department of Justice’s affirmative action policy implemented in 1995 discriminated against white male attorneys.

This followed a successful application by the Public Servants’ Association (PSA) that the court declare the appointment of 30 senior state attorneys invalid because only women and blacks got the jobs.

Judge Swart found that the appointments contravened Section 11 of the Public Service Act, which stipulates that no one may be disadvantaged or benefit from appointment to any post in the public service.

In essence the judge found that discrimination might occur only when all the other criteria had been met, said PSA

chairman Casper van Rensburg. “That means if you have two candidates for a job who are both equally qualified and suited, then you may appoint the disadvantaged one. But if the disadvantaged person does not meet the merit requirements, you must appoint the other person.”

A senior government official said the judgment had implications throughout the public service and could reverse affirmative action appointments in all government departments.

The Government had a problem because there were simply not enough qualified black people for top posts.

He said an appeal against the judgment was not the answer. “An appeal could take years, which they don’t have,” he said.

A spokesman for Minister of Justice Dullah Omar said the ministry was still studying the judgment.

Experts warned today that private sector employers should also re-examine their affirmative action policies to make sure they complied with the constitution.

They said although the constitution allowed for affirmative action, it must be seen as fair. Applicants could be given preference on the basis of race or gender but only within a framework of fairness.

Affirmative action stays

— Omar (176)

CT# 7/3/97
POLITICAL STAFF

MARITZBURG: The number of white state advocates, particularly men, will need to be drastically reduced countrywide, says a document circulating in the offices of all the attorneys-general.

The document — which outlines an affirmative action plan for the office — is doing the rounds despite a High Court judgment in Pretoria this week that appointments made in 1995 in terms of the department's affirmative action policy discriminated against white men. The court found this was contrary to the requirements of the Constitution.

The new "action plan" reveals that of the 265 state advocate posts approved nationally (21 now vacant), only 65 could remain filled by whites. Currently 174 of the posts are held by whites, 115 of them men.

Justice Minister Mr Dullah Omar's spokesman, Mr Paul Setsetse, said the department's affirmative action policy was not aimed at jeopardising the future of individuals, and that the minister had given an assurance that there was a future for whites in the department.

Omar said in a statement his department would continue to implement affirmative action policies "on the basis of fairness" to insure that all justice institutions would be representative in race and gender as quickly as possible.

Whites not treated fairly - court

(176)

Sowetan 7/3/97

Suggestion that affirmative action policies should be re-examined

Sowetan Correspondent

EMPLOYERS should re-examine their affirmative action policies to make sure they comply with the Constitution.

This warning comes after the Pretoria High Court ruled that the Justice Department affirmative action policy implemented in 1995 unfairly discriminated against white men in the state attorneys' office.

The case is the first of its kind in South Africa to challenge the reservation of public posts for women and black men.

In his judgment Mr Justice J Swart said the Justice Department's appointments were not in line with the Constitution. White male applicants had been unfairly discriminated against and it appeared the candidates appointed were sometimes not as well qualified as applicants who were turned down. The appointments were also not in line with efficient public administration.

Affirmative action experts say that while the Constitution allows affirmative action, it must be fair.

Applicants can be given preference on the basis of race or gender but only within a certain framework of fairness.

Labour consultant Ulrich Stander said employers should examine their affirmative action policies to make sure they combined equity with business practice. Affirmative action is only one part of equity, which also includes accommodating diversity at work, equal opportunities and no unfair discrimination.

"Affirmative action must be holistic and not just be based on numbers. My experience is that companies tend to focus on numbers, with the result that the workforce is unhappy," he said.

Linda Human of the Graduate School of Business at Stellenbosch University, said the court finding was not against affirmative action but rather part of the process of implementing it.

"I think there are a lot of people who don't understand what affirmative action is. Affirmative action is about eradicating discrimination and pro-actively developing historically disadvantaged people.

"It is not about unfairly trampling on the aspirations of white men".

The affirmative action dilemma

This week's court judgment has raised more questions than it has answered, argues CARMEL RICKARD

THERE were no real victors in this week's important affirmative action judgment in the Pretoria High Court.

The white men who brought the case, claiming they had been discriminated against on account of their race and gender, won — at least on paper. But the judgment does not guarantee them the promotions they want. They merely have to be considered for these vacancies.

And the Public Servants' Association, which acted as a good union should in supporting members allegedly wronged by management, could now face problems with the government, precisely because of its technical victory.

Just when there appeared to be an improvement in the "us and them" attitude bedeviling relations between the association and the government, hostilities may now resume if the government sees the association as synonymous with the "old guard".

The government departments which lost the case are no better off. Their affirmative action codes and policies now declared unconstitutional, they must redraft these documents to satisfy the court and prevent further legal action by other disgruntled civil servants.

The case was launched about 18 months ago by the association and one of its members, state attorney Fanie Swanepoel, supported by 15 of his lawyer colleagues. They complained that they had been overlooked for promotions within the Department of Justice.

In theory, many of them had had strong prospects for advancement because of their excellent departmental grading, but they were not so much as invited to an interview.

Instead, the posts were given to women, blacks and disabled people, and other groups formerly discriminated against. The appointments were frozen until the judge gave his ruling.

Swanepoel and the association claimed that new codes in the Public Service Act, aimed at making the civil service more "representative", were invalid because they improperly discriminated against white men.

Arguing that this breached the constitutional rights of Swanepoel and his colleagues, they asked for these codes to be declared unlawful and to be set aside. The court was also urged to declare the government's approach to filling the justice department vacancies invalid.

They asked for the court to declare that these appointments be made strictly in terms of the Public Service Act, and after considering everyone who applied, regardless of their race or gender. The selectors should take into account only the qualifications, level of training, merit, efficiency and suitability of applicants.

They got what they wanted. In a 216-page decision handed down this week, Judge Buddy Swart declared that the government had acted unconstitutionally, violating the rights of Swanepoel and his colleagues and making them the victims of unfair discrimination.

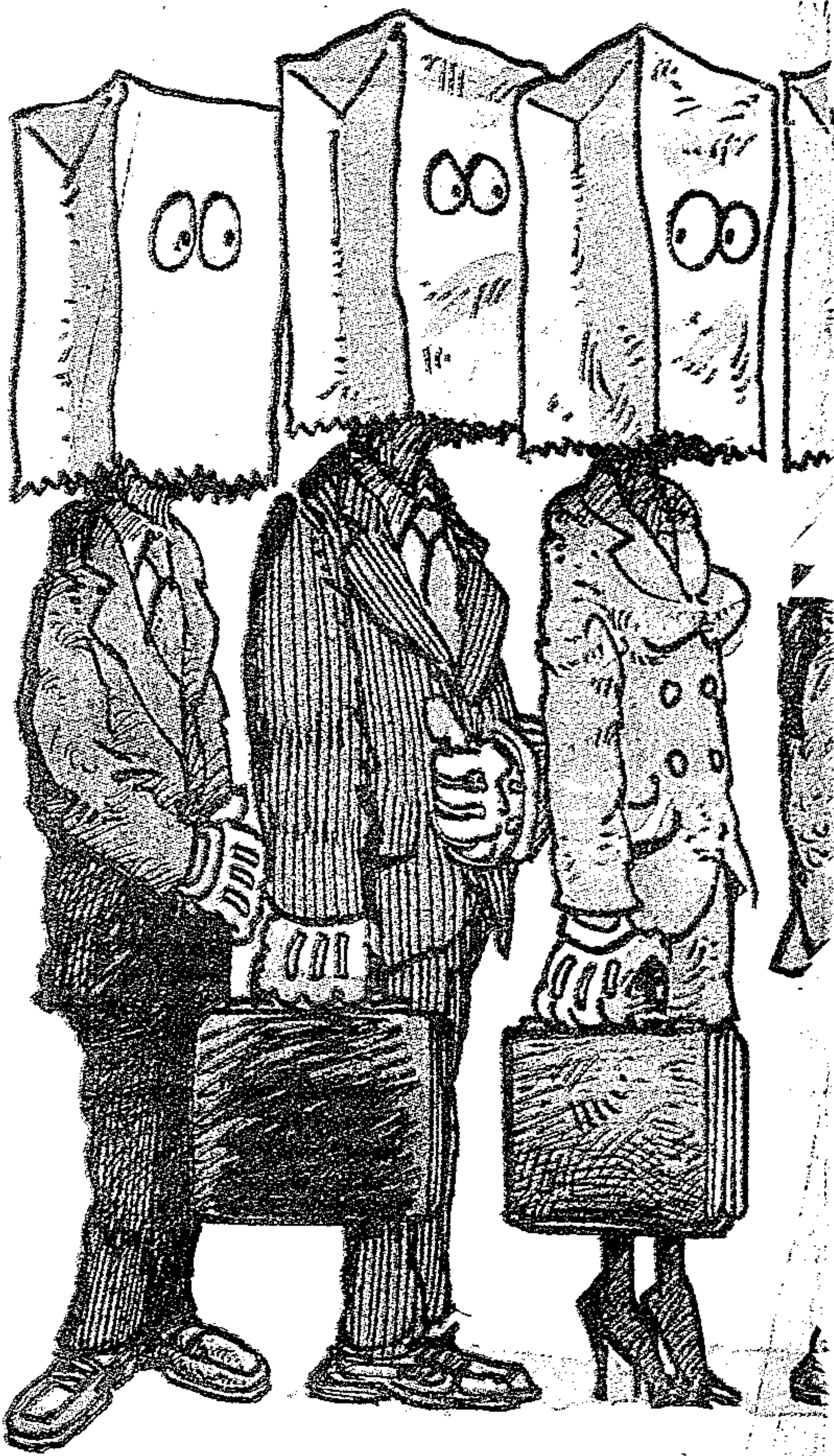
Despite the men's qualifications and experience, the only candidates invited to be interviewed for one of the posts of deputy state attorney from within the ranks of the department, were three women.

The most senior of them qualified five years ago and has one year's experience at the state attorney's office. If appointed, she would be on the same level as two state attorneys who have 39 years of experience between them.

Judge Swart commented that this situation created a picture "which on the basis of logic, merit, efficiency and sensible administration is astonishing". In justifying it, the government had cited affirmative action needs, but the judge had some tough words on this approach.

He said that, under the Constitution, the civil service was obliged to provide an efficient service, as well as becoming broadly representative of the South African community. Neither of these aims could be achieved at the expense of the other.

"The efficiency of the public administration cannot be compromised by promoting a broadly representative public administration. I think this follows as a matter of logic and experience.



(176) ST 9/3/97

"It is the civil service which bears the enormous responsibility and requires the extensive expertise to manage the country, which management encompasses a myriad statutory provisions, and logistical and administrative applications.

"This is particularly true of professional departments such as for instance, the state attorney's offices."

Even though the court had to be responsible when criticising government decisions, he was forced to conclude that official affirmative action policies did not satisfy the requirements of the Constitution, the judge said.

He said the codes aimed at making the public service more representative were not "rationally designed" to achieve the proper ends, but were "haphazard, random and over hasty".

Many people around the country who claim they have been unfairly discriminated against because of their colour or gender will find satisfaction and vindication in his judgment.

But the decision did not get to grips with some of the most complex issues raised by affirmative action. Such as what counts as qualification.

For example, if someone has six years' experience but

speaks only one language, and another has two years' experience but speaks five languages, how are they to be compared?

Government legal advisers are to study Swart's lengthy judgment to decide whether to appeal. If they decide to challenge the judgment it could end up in the Appeal Court, the Constitutional Court, or both, depending on the issues which are targeted.

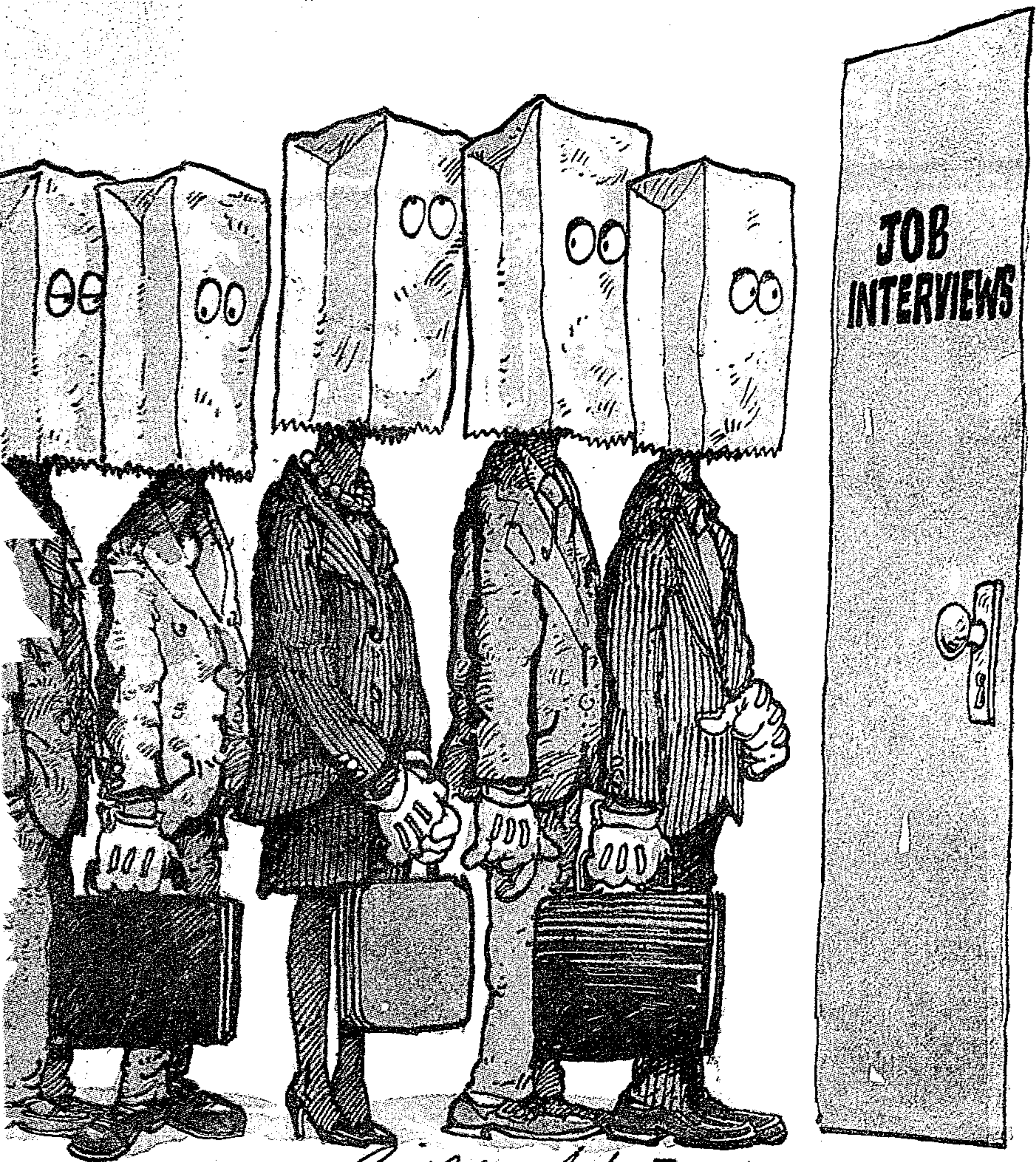
A Wits University senior law lecturer, Nicholas Smith, author of several articles on affirmative action, says he hopes the matter comes before the Constitutional Court as soon as possible, because affirmative action is a divisive issue that needs to be resolved at the highest level.

But while the legal resolution could still be some way off, the political implications might become apparent far sooner.

Bargaining over increases and other issues between the government and representatives of organised labour begins tomorrow and, unless the process is managed with great wisdom by all parties, the cooperative approach which had been developing could quickly degenerate into confrontation.

There can also be no doubt that radical changes to the Public Servants' Act will follow the judgment, with politicians trying to ensure that affirmative

action easily. Here dom w. ed. Eye strong.



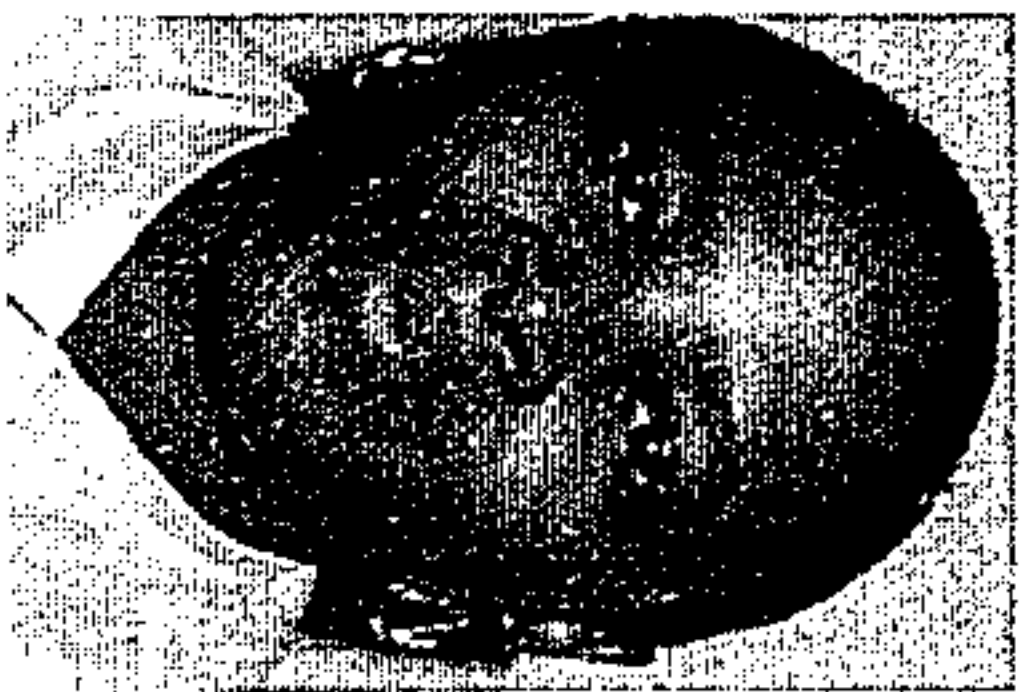
Vincent Branch

olicies can be more
plemented.
gain, foresight and wis-
be desperately need-
government insiders,
supportive of affirma-

tive action, are increasingly
convinced that this policy must
be balanced: the experience
gained, however unfairly, by
groups privileged in the past, is
indispensable — even to the

transformation process.
One thing not required is a
hard-line approach to those
identified with the old guard.
If the Department of Justice,
for example, had taken a more

pragmatic stand and included
the best of Swanepoel's white
male colleagues among those to
be interviewed, it would not
now have judicial egg on its
face.



AA is part of a holistic strategy

Affirmative action seeks to reflect a new vision and African-ness of the state, writes Thoko Vilakazi

(176)

Lony Leon's article in *The Star* of February 24 1997 leaves one wondering whether his views are an indication of his failure to comprehend the Government's affirmative action (AA) policy or a deliberate attempt to distort the truth for political expedience. As an African reader of *The Star*, I find the article very misleading, inaccurate and, at times, self-contradictory.

Perhaps it is a reflection of an attempt to appeal to potential voters who are described by the media as disaffected by the ANC government's policies, and to the white public servants disgruntled that the NP failed to negotiate a better deal for them.

Leon himself acknowledges the need for programmes to redress apartheid's imbalances by both government and business, but suggests that the only way of empowering disadvantaged South Africans is through "adult education ... literacy programmes and capacity-building". What worries me about this position is that it presupposes that all blacks are ill-equipped for senior positions in the new dispensation and should first be subjected to capacity

building programmes. While education and training programmes are critical elements of transformation, to limit black empowerment to these programmes is to ignore the fact that blacks were not only denied access to quality education, but those who succeeded to be educated against all odds were systematically denied access to jobs that they were qualified for.

Leon knows very well that the ANC government inherited a public service whose service standards were only as efficient to the extent that they managed to meet the needs of whites. It doesn't come as a surprise that recruitment and promotions were also regulated to advance and protect the interests of whites, especially white Afrikaner males.

He should note that the Government of National Unity has committed itself to improving the lives of all South Africans through a public service which is representative, transparent, efficient, accountable and responsive to the needs of all - a major shift from what the public service was under National Party rule.

Leon reiterates his previous argument that an affirmative action job means: "no whites need apply". He says only a naive white person, no matter how well-qualified, would apply for a post advertised with the rider that this was an affirmative action position.

I challenge Leon to contact government departments and satisfy himself how many whites - probably naive in his view - applied for affirmative action posts and were appointed because they turned out to be qualified for the job.

The use of the AA rider is a public statement from the employer that those who were previously excluded, not because of their lack of qualifications, but because of their race, gender and disability, will now receive fair treatment and preference because they are valued by the employer, and were historically disadvantaged. AA is an equal opportunity strategy which seeks to undermine the perpetuation of historical imbalances.

The importance of affirmative action is not only about changing the colour of the public service. It is not about appointing blacks, primarily because they are blacks as

he would like the reader to believe. It is about improving service delivery and a recognition that a South Africa enriched with cultural diversity will best be served by a public service which has embraced cultural diversity. It is about transforming the public service to be responsive to the needs of all South Africans.

Leon should also understand that AA is not about an elite group of blacks being absorbed into a white public service. It is part of a holistic strategy to transform the cultural ethos of the public service to reflect the new vision and African-ness of our state.

AA as a transformation strategy goes beyond reforming apartheid institutions and those that kept it together. Unless both whites and blacks accept that there is a need for fundamental change in the operations and composition of the public service, polarisation on AA will continue to exist.

To argue that the new dispensation has enriched "only a politically favoured elite" is nothing but a political ploy to mislead the readers. Leon should know that the majority of blacks value and understand the signifi-

SKW 10/3/97

cance of blacks beginning to occupy strategic positions in all spheres of the economy. Perhaps he wanted to suggest that nationalisation and the redistribution of wealth to all citizens could have avoided the creation of a black elite.

The black professionals who are said to be leaving the country because "all the important jobs are reserved for members of the ANC", tempts one to say "Bon voyage". You only need to understand the policies of

social transformation to appreciate and understand the foundation and the progress made against all obstacles to transformation.

Contrary to Leon's views, now is the time for the Government to focus more on AA and the transformation of the public service in order to facilitate the development of programmes and policies that will improve service delivery and unleash jobs

for the masses. Qualified whites have nothing to fear - the constitution guarantees every citizen that public administration will be representative of the South African population.

Thoko Doreen Vilakazi is an education specialist. She is not employed in the public service.

State attorneys refused severance option

Stephané Bothma

(176)

BS 11/3/97

PRETORIA — A large number of state attorneys deemed too male and too pale for promotion had applied for severance packages in recent months but were turned down by the justice department.

Despite a move by Justice Minister Dullah Omar last year to promote only people of colour and women — a decision described by the Pretoria High Court last week as unfair discrimination — only one out of 173 applications for voluntary severance by white justice department employees with a law qualification was approved this year.

In the light of Omar's commitment to create a fully representative depart-

ment, employees said at the weekend the rejection of their applications for packages was confusing and frustrating. "They will not give us deserved promotions but also will not let us leave the employ of the state," a department employee, who wished not to be identified, said.

Those whose options were refused were given no specific reasons except that it "was of no benefit to the state". "By granting us packages, positions will be opened for appointments of representivity," the employee said.

The Public Service Association and state attorney Fanie Swanepoel, supported by 15 colleagues, last week won an 18-month legal battle against Omar

and Public Service and Administration Minister Zola Skweyva when the court halted a process of appointment in the justice department whereby less qualified women of colour were appointed to senior positions over the heads of senior white male colleagues.

Pretoria High Court judge Buddie Swart ruled that the department's system of reserving a quota of vacancies for affirmative action appointments was unfair discrimination against white men and in attempting to fill its vacant posts, the department had acted with no discernible rationale.

The state attorneys who opted to leave the public service applied for severance packages in terms of a 1996 offer by the public service and adminis-

tration department. They met all the criteria demanded by the scheme — aimed at rightsizing the public service and "creating capacity to facilitate the process of promoting representivity".

Meanwhile, a document released by the department on February 26 indicates existing vacancies in the department include seven posts for state attorney, 10 for deputy state attorney and 18 for senior state attorney.

The document states that by 1999 "the nine approved posts of state attorney should be occupied by four blacks, three women and two whites".

"There is no future for us in this department. This plan to fill vacant posts is still based on quotas, despite the court ruling," a state attorney said.

Green paper on skills 'ignores funding concerns'

Reneé Grawitzky

THE green paper on a strategy for skills development has elicited mixed reaction from the main industry training boards, with some claiming that their concerns regarding funding had been ignored.

A number of industry training boards said the green paper was a sound "if not a very ambitious plan", to contribute towards equipping SA with much needed skills. However, a number of representatives expressed

concern about the proposal for the funding of both national and sectoral education and training priorities.

One representative said that during talks it was understood that where existing training boards could demonstrate a track record of successful levy collection, they would be allowed to continue this under the new dispensation, and then give a national fund 20% of their revenue.

Current concerns appear to revolve around the move towards a central approach to levy collection. The strat-

egy proposed a national levy/grant.

Labour Minister Tito Mboweni said yesterday that national, industry and enterprise priority areas would be identified to ensure skills development delivery. Once priority areas had been identified, employers would be given incentives to reach the targets in those priority skills areas by the provision of grants.

An industry training board representative said that "someone is fooling someone", as it was understood that the green paper would not include a

final proposal on funding. This would be left up to the parties to negotiate.

Another representative said the funding issue was a "storm in a teacup" as it was understood that a national levy system would be implemented, however, a "sense of forcing people to comply" might not have desired effect of encouraging training.

The representative, who did not want to be named, said the "centralist approach to levy collection might prove to be counterproductive", and could be more costly and cumbersome

than the current practice.

Building Industries Training Board director Erwin Sonnendecker said government's proposal that it retain 20% of total levy revenue for a national fund for nationally identified priority needs was too much. This did not take into account that certain sectors had been earmarked as growth sectors and required more money to fund training. They did not have any guarantee the labour department would provide funding from a central fund for such training.

MORE CHALLENGES AHEAD

FM 14/3/97

The Pretoria High Court's landmark ruling against the Justice Department's application of affirmative action could unleash more court challenges by white civil servants who feel they have been unfairly passed over for promotion.

The Public Servants' Association (PSA) is aware of other officials who are considering challenging the validity of affirmative action appointments to posts for which they were also in the running.

Judge Buddie Swart ruled last week the

department had contravened the Constitution when it unfairly discriminated against white, male State attorneys by applying affirmative action in an arbitrary manner.

The test case ruling could be a major setback for government's affirmative action programme, which aims to achieve a public service that is 50% black and 30% female by 2000.

Last year its flagship programme, Jobs for SA, floundered when 43% of the 11 000 posts earmarked for affirmative action were abolished in the rationalisation process, with less than a quarter filled.

"The ruling could affect the entire public service in the sense that the judgment may be used against similar quota-based appointments," says PSA deputy GM Anton Louwrens. "We can't say yet whether there will be a flood, but there may be quite a number of these actions."

The complainants were not considered for promotion to about 30 senior posts. Only four of the posts were filled by Justice Minister Dullah Omar. The rest were frozen.

The court set aside the four affirmative action appointments, which the department must now fill irrespective of gender, religion or race and in line with public service rationalisation procedures.

"I think the facts fully justify the conclusion that the white male applicants for the State attorney posts have been discriminated against on those very bases — they are white and male," Swart found.

He found that the merits of candidates from outside the public service were not weighed against those of existing staff and that there was a strong possibility their qualifications were not comparable to those of the white, male applicants — all of whom were in line for promotion.

"The efficiency of the public administration cannot be compromised by promoting a broadly representative administration," he said.

The PSA is celebrating the fact that the court has called government to order and emphasised that the rights of officials, which are vested in legislation and prescripts, cannot be disregarded.

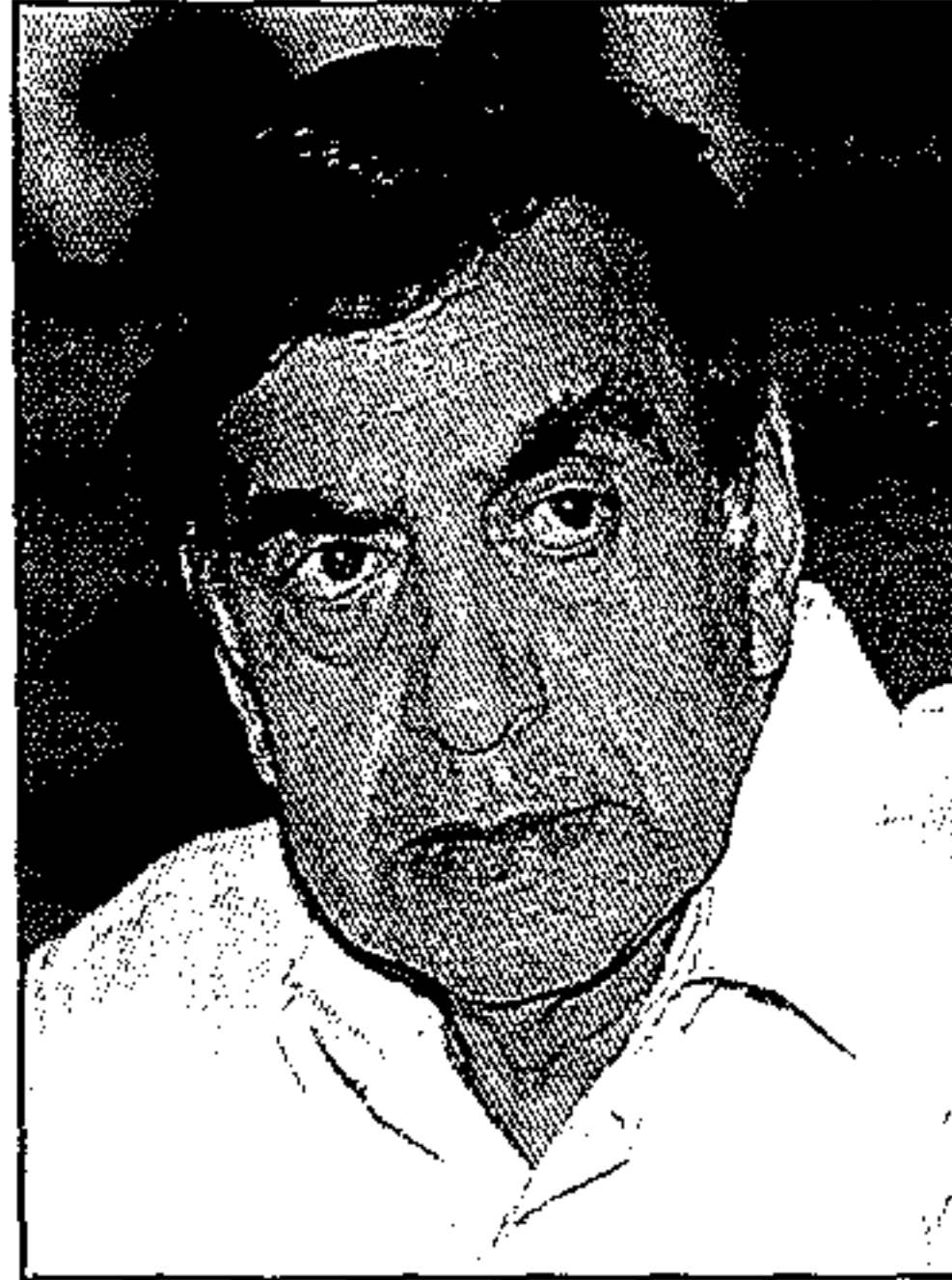
Justice Department chief liaison officer Pieter du Rand says the department is studying the 200-page judgment to assess its full implications.

He does not believe the department is applying affirmative action uniquely and says the judgment could affect the entire public service.

However, Omar's spokesman, Paul Setsetse, says the ruling will not change the department's affirmative action programme, which the Minister believes is

being implemented in terms of the Constitution and Public Service Commission prescripts. He says Omar is studying the judgment and may seek leave to appeal.

The NP has welcomed the judgment. "Ministerial directives in the Justice Department — that posts be filled only by black people and women in the ratio 4:1 or remain vacant — were completely over the top," says NP justice spokesman Sheila Camerer.



Dullah Omar

The DP says Omar was warned that his department was applying affirmative action incorrectly. "Affirmative action means creating opportunities for disadvantaged people. It surely does not encompass discrimination against everyone else," says DP justice spokesman Douglas Gibson. "The department is suffering enormous shortages of skilled professional people, and in applying affirmative action the Minister should take steps to ensure that vacancies are filled by competent people."

□ The Department of Labour is pressing ahead with the Employment & Occupational Equity Bill, which is expected to be tabled in parliament later this year. The Bill will outlaw unfair discrimination in the workplace and should crystallise the affirmative action debate. *Claire Bissek*

Too many blacks quit too quickly, says head-hunter

JESSICA BEZUIDENHOUT

TWO years ago Lumka Funani gave up a senior job to start Lumka Associates, a company that specialises in finding the cream of black professionals and placing them in senior positions. But after a string of disappointments, she has come to believe that a major stumbling block to affirmative action is blacks' own attitudes to employment.

"Blacks are abusing the system," said Funani, whose clients include IBM, Adcock Ingram and Transnet.

"They either use it to get ahead in their existing jobs, or to job-hop."

The problems she encounters vary from secretaries overpricing themselves to senior managers either not pitching up for work or executives letting companies down before they even start.

Last month, one of her candidates was accepted for a top job with a telecommunications company. The salary package exceeded R350 000 but the man, who holds an MBA and had accepted the position, has yet to arrive for work. "He did not bother to call the company or me to say that he was no longer interested," she said.

"Some of my clients are opting to employ white people, who are proving to be more responsible."

Recently one of her clients specifically requested a black female to head one of its educational projects. Her candidate was bright and highly recommended. There was only one other person — a white male — on the shortlist.

"I thought there was no way she would not get the job, but she failed to respond by the due date and lost out to a white man, even though she was better qualified," Funani said. "It is as if our people have developed a new culture — that of not pitching up."

Another candidate accepted a job as human resources director with a pharmaceutical company. His salary was negotiated at around R400 000 a year.

"He attended meetings and even started attaching signatures while serving notice at his other job. One day before he was due to start officially at his new job he called my client and said he was no longer interested. No explanation, he just cancelled," she said.

"As a black woman operating in the corporate world, I do not believe in excuses, but every time a candidate fails me, I fail the client."



SLAPPED IN THE FACE: Lumka Funani, who says she has been let down too often Picture: ELIZABETH SEJAKE

The negative face of affirmative action

ST 16/3/97 (176)

Since it opened, Lumka Associates has placed an average of 70 people in temporary and permanent positions every month.

"They are perpetuating the perception that blacks are unreliable, irresponsible and useless" — harsh words from a woman who has often come under attack from certain quarters for her "ultra-leftist viewpoints".

"As black people we have to accept the responsibilities coupled with empowerment if we want to be taken seriously in this country," Funani said.

"While big companies and conglomerates go all out to make their companies more representative of the population, blacks are discrediting affirmative action," she said.

But Cape Town attorney, Christine Qunta, author of *Who's Afraid of Affirmative Action*, says job-hopping cannot be viewed in isolation of the wider problems accompanying affirmative action.

"One needs to understand that affirmative action is not a form of reparation, but an accelerated way of utilising the

skills of a wider group of people. The country's economy cannot rely on the skills of only 12,8 percent of the population," Qunta said.

Employers should bear this in mind when they hire affirmative action candidates. Some companies still believe they can dangle financial incentives and black people will hop. "The perception that this causes people to switch jobs within weeks is grossly unfair."

Like all other professionals, blacks need to work in a stimulating environment where they can make a meaningful contribution, she said.

"They do not want to be affirmative action appointees who land a nice job, get a fat package and drive a luxury car. It is natural that they would leave when they encounter a negative environment where all that matters is the fact that they are black."

Eugene Martin, a human resources executive at Telkom, was an affirmative action appointee 18 months ago and is now part of a group managing about 60 000 Telkom employees.

"One cannot deny that people are moving where the opportunities are. However, the perception that black professionals move around too rapidly and are therefore unreliable, is an unfair generalisation," he said.

"Employers who hire executives and fail to understand that such a person wants to add value to the company, will lose him," Martin said.

Telkom has not lost a single black executive to job-hopping since late 1995, he said.

Colin Leeson, managing director of a financial recruitment agency, Right Link Appointments, said his company has had "a few" situations where affirmative action candidates had accepted jobs, but cancelled at the last minute or failed to arrive. He believes, though, these incidents took place at a time when there were plenty of opportunities and attractive packages on offer by employers.

"To assume that all black professionals are unreliable because some are taking advantage of the system, is not fair," Leeson said.

Whites still get best jobs in the private sector

ARGUS CORRESPONDENT

ARU 17/3/97

(176)

Johannesburg - Three years into the drafting of the Government's official affirmative action policy, whites are still getting the best jobs and are among the highest-paid employees in the country.

The finding comes a week after a landmark ruling in the Pretoria High Court, when the Department of Justice was ordered to consider the claims of 30 white attorneys overlooked for promotion.

The court ruled the department's affirmative action policies were unconstitutional, and critics said the decision by Mr Justice Buddy Swart would slow down transformation and affirmative action in the public and private sectors.

Whereas there has been some progress in the public sector, according to a nationwide survey of 111 companies, representing 933 586 employees, affirmative action is merely cosmetic in the private sector.

A study by the University of Cape Town's Breakwater Monitor reveals transformation is at a snail's pace and affirmative action programmes are moving relatively slowly.

The survey showed whites were still earning the best salaries and being appointed to or holding the best positions.

A preliminary report on the monitor's findings, published in January, shows that most companies use the Paterson system of grading for employees in bands A to F.

Employees are graded according to duties and responsibilities, with A band starting salaries around R1 700, whereas F band ranges from R25 000 upwards.

But 12 percent of whites, 82 percent of Africans, 4 percent of coloureds and 2 percent of Indians were not graded at all.

The survey found 96 percent of whites in top management were in F bands, compared to 3 percent of Africans, 0,36 percent of coloureds and 0,18 percent of Indians.

The percentages were constant from upper E to upper C bands, but showed a shift in the lower C bands, with 62 percent held by whites, 22 percent by Africans, 8 percent coloureds and 6 percent Indians.

African employees made up 90 percent of the A band, compared to 1 percent whites, 7 percent coloureds and 1 percent Indians.

Angus Bowmarker-Falconer, head of the monitoring unit, said a high number of managerial jobs were still going to whites. "Government legislation would ensure greater cohesiveness when it comes to employment in the workplace."

Labour law expert Pierre Marais said changes in the workplace were not going to occur until legislation was passed.

Labour Minister Tito Mboweni's spokeswoman, Estelle Randall, said it was likely that legislation would be passed only by the end of the year.

Affirmative action dawdles while whites still get top jobs, says survey

(176) Star 17/3/97

By EDWIN NAIDU

White people are still getting the best jobs in the country three years after the Government announced an affirmative-action policy.

A nationwide survey of 111 companies employing 933 586 shows that while there has been some progress in the public sector, it is cosmetic in the private sector.

The University of Cape Town's Breakwater Monitor survey findings are supported by labour-law expert Pierre Marais, who says: "Real changes are not going to take place until people are forced to, and the changes taking place now are very cosmetic.

The survey's results come a week after the Pretoria High Court ruled the affirmative-action policies of the Department of Justice were unconstitutional. Its ruling was in favour of 30 white attorneys overlooked for promotion.

The Breakwater Monitor's findings show most companies use the Paterson A-to-F grading system. The A-band started around R1 700 a month and the F-band from R25 000. The report found 12% of whites, 82% of blacks, 4% of coloureds and 2% of Indians were not graded at all.

A total of 47% of whites held non-executive positions, with blacks (41%), coloureds (8%) and Indians (3%). A total of 96% of

Count them

If the media is regarded as a mirror of society, then the reflections in newspapers in various parts of the country show glaringly that white South Africans are snapping up the top jobs in the private sector.

The Star's Workplace supplement last week carried 19 new appointments, 18 of them white and one black. The week before, all 19 appointments were white. A tally of the appointments in Workplace since the beginning of the year showed 134 senior appointments to whites, 18 to blacks.

whites in top management held F-bands, with blacks (3%), coloureds (0,36%) and Indians (0,18%).

The percentages were constant from upper E to upper C-bands, but showed a shift in the lower C-bands, with 62% of whites, 22% of blacks, 8% of coloureds and 6% of Indians on the band. Black employees made up 90% of the A-band, against whites (1%), coloureds (7%) and Indians (1%).

Labour Minister Tito Mboweni's spokesperson Estelle Randall said there were major changes in the public service, but the de-

partment could not answer for the private sector.

Randall said legislation on employment equity was likely to be passed only by the end of the year.

Head of the transformation division at the Black Management Forum, Lowiso Mbabane, said: "Very little has changed. Whites are still getting top posts. We are going to push for legislation to enforce change, but transformation is going to take a long time."

Urmila Bhoola of Cheadle Thompson and Haysom, involved in last year's Green Paper on Employment Equity, said that while appointments published in newspapers were not a wholly accurate barometer the senior appointments were still primarily white and male.

Black Management Forum consultant Cecilia Sithole said the new South Africa had failed to bring about equity in the workplace.

National Productivity Institute spokesman Johan Venter said there was an abundance of people resources but a shortage of skills. "That is why you see lots of white faces, because that is where the skills lie and that is the reality."

South African Institute of Race Relations spokesman Paul Pereira said when it came to appointments, the employer should have a right to choose.

Whites still land top jobs despite affirmative action

(176)

CT 18/3/97

OWN CORRESPONDENT

JOHANNESBURG: Many South African businesses are paying lip-service to black empowerment, a top placement specialist says.

This follows a University of Cape Town affirmative action survey which found that transformation in the private sector was cosmetic, with whites appearing still to land the plum jobs. About 96% of whites were in top management positions as opposed to 3,5% of blacks.

This was despite the government's affirmative action policy, which has already been felt in the public sector.

Ms Lumka Funani, head of a placement agency specialising in black professionals, questioned the corporate sector's "understanding of the issues and its commitment to real and lasting change".

She said while most business

organisations had identified recruitment agencies with which they worked, these tended to be established and white-owned.

"When dealing with black recruitment agencies, client organisations often impose unrealistic deadlines and give applicants extremely short notice of interview times and dates.

"It is almost as though clients are paying lip service to the whole process of black recruitment, and finding every possible excuse not to appoint someone who is black and capable," Funani said.

Black professionals were not beyond reproach themselves, Funani added, saying "if blacks are not successful in their efforts to empower themselves, they may need to reflect upon the extent to which they may be responsible for their failure".

However, Marius Khoury, managing director of a personnel

agency specialising in middle management placements, disagreed.

"What has happened is that a degree of sanity has returned to the jobs market. Corporate and financial services have moved back to a demand for a skills base."

He said many people of colour who applied for top or middle-management jobs were in fact offended when told they may be placed in what could be deemed affirmative action posts.

"I am not saying that there is a mad passion to employ blacks, but the whole emphasis has shifted from affirmative posts, where it was four years ago, back to the necessary skills, especially in financial services," Khoury said.

There was still a demand for "affirmative skills" however. Many returning professionals were being "snapped up because of their skills rather than the colour of their skins".

ANC to take up affirmative action cudgel

(178)
By EDWIN MAIDU

Star 24/3/97

The ANC plans to put pressure on businesses operating without affirmative action programmes.

Spokesman Ronnie Mamoepa said the organisation had received numerous complaints from black executives who claimed some companies were merely "window-dressing".

He said the ANC planned to increase pressure on businesses operating without affirmative action policies in order to bring about equality in the workplace.

This could include intensifying the call for legislation, or the staging of mass-action protests.

His remarks follow the findings of several surveys which showed whites were still getting the best jobs.

The University of Cape Town's Breakwater Monitor, which monitors at least 111 companies with about 950 000 employees, showed that a small percentage of blacks were in senior management jobs.

A Star survey found that whites outnumbered blacks in terms of high-profile appointments.

Mamoepa said a package of proposals would be put forward for acceptance by the private sector.

Bar project's exclusivity 'necessary'

0026/2197

(776)

Deborah Fine

THE Centre for Human Rights' Integrated Bar Project, which specifically excluded white law students, was a "very mild" but necessary form of affirmative action to address past imbalances, project director Prof Christoff Heyns said yesterday.

The project, which caters only for black, coloured and Asian law students, places selected final year students on three-week internships each year with top SA law firms, SA courts, including the Constitutional Court, senior advocates and the legal departments of large commercial banks.

The project's aim was to provide students with an opportunity to supplement their theoretical knowledge with practical experience, and at the same time

allow the companies involved to "consider the cream of the crop of the country's law faculties in a working environment, with a view to possible employment in the future," Heyns said.

Conceding there had been "some complaints" about the project's racial exclusivity, he said previous racial discrimination against blacks, coloureds and Asians had resulted in a "grossly distorted" pattern of representation in the legal profession.

"There is a huge discrepancy in terms of senior positions between whites and other groupings. As soon as there is a significant change in the racial composition of the profession, we will look at opening the project to all students who need such opportunities," he said.

Asked whether the project was not unfairly dis-

criminating against white students in violation of the constitution — which prohibits discrimination on the basis of race — he said the programme was "the mildest form of affirmative action there is".

In the unlikely event of a legal challenge to the project, he firmly believed the programme would stand up to constitutional scrutiny in terms of section 9 (2) which provided for "legislative and other measures ... to advance persons ... disadvantaged by unfair discrimination...".

"We're dealing with law students so I suppose one of them could think of a challenge along constitutional lines, but I doubt they would succeed. The country and the legal profession needs programmes like this and I cannot imagine that it would be condemned under the new constitution," he said.

'Smaller companies unable to cope with affirmative action'

(176) 20 27 1997
AFFIRMATIVE action and career upliftment programmes are foundering in the face of unforeseen problems, says Cephass Computer Services MD Graham Foster.

He says many of the pitfalls and problems organisations could encounter are impossible to foresee.

"A successful affirmative action policy is an issue of pride for many companies, as it goes beyond merely employing more disadvantaged people. It is also a sociopolitical statement.

"However, many of these programmes are failing dismally, and while the larger organisations can bear the financial losses incurred for the sake of continuing to 'do the right thing', smaller organisations are concerned that they may have to abandon their programmes, or at best scale them down dramatically, in order to contain their losses.

"The most obvious failing of these programmes is their inability to cope with the sheer numbers of applicants. With the job market now open to all people, companies are experiencing unprecedented floods of applications, and firms lack the personnel and the time to sit down and interview hundreds of people."

Foster argues that traditional screening methods are not appropriate for affirmative action positions. There is no single definition of a disadvantaged person, which means the particular circumstances of each applicant have to be taken into account.

Foster says his company is active in assisting large companies to establish affirmative action recruitment programmes and in-house training courses. In addition, SkillSoft, a company in the Cephass group, has a program — Skilltest — for evaluating potential employees.

He says the new Labour Relations Act and tightening budgets for information technology skills are two factors impelling contracting and recruitment houses towards adopting skill testing as policy before placing candidates.

"The act states that for the purposes of selecting candidates, an applicant is regarded as an employee, and therefore may not be discriminated against, either directly or indirectly.

"Only the person's ability to do the job can be used as a criterion. For this reason it is becoming more important to ensure that applicants do possess the necessary abilities to fill a position," Foster says.

"In the past, firms were willing to go on references only, but with the new labour law people are reluctant to give references for someone with whom they were not happy, as this can give rise to disputes."

Ruling highlights important issues

By Yacoob Abba Omar

TRANSPORT Minister Mac Maharaj recently pointed out that concerns with representivity, accountability and downsizing have led to reforms which did little more than "scratch the surface of the underlying problem of how the department should function".

And there has been little analysis of the implications of the judgment handed by Judge J D M Swart in the action brought against Public Service Minister Zola Skweyiya and Justice Minister Dullah Omar.

From a reading of many sources, it is clear that there is no disagreement that the South African public service needs to become more representative. But there are different opinions on how this should be achieved.

Other approaches

Affirmative action is but one of the key approaches that corporations and governments have tended to use. Other approaches include:

- "Fair equality of opportunity". Vincent Maphai, now at the Human Sciences Research Council, describes this as contrasting "formal equality of opportunity. It involves solely the abolition of discriminatory legislation, without addressing the question of historical backlogs".

Or, as Dawn Makhobo once put it: "There is nothing as unequal as the equal treatment of unequals."

- Preferential treatment, legally using enforced quotas. It appears that Swart interpreted Skweyiya and Omar's actions as falling in this category and thus fell outside the legislation.

- An approach which favours leaving the entire matter in the hands of market forces.

Affirmative action has generally been described as a set of measures aimed at addressing the disadvantages experienced by sections of the community in the past.

Specific period

Most proponents argue that it should be implemented for a specific period. Corporations tend to fix the time frame to achieve these goals.

The Afrikaans term for it – *regstellende aksie* (corrective action) – captures the spirit in which affirmative action is viewed in South Africa. Maphai, on the other hand, feels that "when the terminal moment has arrived it is not a mathematical question".

There has been much debate on whether it should be legislated or even included in the Constitution.

Don Caldwell, on the basis of his study of international practices, drew up a continuum of the degrees of voluntarism and compulsion in approaches to implementing affirmative action.

The continuum extends from legislation which is coercive and prescriptive to guiding or enabling laws. The highest degree of voluntarism is where it becomes management's prerogative.

Canada, France and Australia have detailed prescriptive legislation. The law insists on an employment equity policy and programme, and imposes administrative, procedural and "soft" target requirements on private sector employers.

Scandinavian countries have

sowetan 21/4/97 (176)
Affirmative action is not an issue of white males versus the rest



Transport Minister Mac Maharaj ... reforms are just scratching the surface.

bargaining agreement.

Australians have to contend with comprehensive legislation which outlines an eight-point plan for gender-based affirmative action for all private sector employees. While it does not have any quotas, firms are expected to prepare objectives with worker representatives and to submit public reports.

Chapter 10 of the South African Constitution deals with public administration and says that the "public administration must be broadly representative. Employment and personnel management practices must be based on ability, objectivity, fairness and the need to redress imbalances of the past to achieve broad representation".

The Zimbabwe constitution also has similar provisions. South Africans would find it instructive to take note of the conclusions reached by Bridget Strachan in 1990 concerning affirmative action in Zimbabwe (10 years after independence).

"The lesson from the Zimbabwean experience is that colour cannot be the only factor in the process of restructuring the civil service. Structure and function, transparency of practice, quality of service, capacity, orientation and accountability to the electorate are all important elements that need to be addressed as part of the democratisation of the civil service.

Promotion on merit

"In addition, the importance of training and merit-based promotion must not be underestimated. Restructuring the civil service requires a new *modus operandi* rather than involving the replacement of whites by blacks."

When researching the issue of affirmative action in the public sector to enrich Armscor's own policy, I was struck by the divergence in approaches taken by different government departments.

The route outlined by Maharaj was then in its nascence. The Department of Transport respondent who took part in a survey emphasised "organisational transformation" or contribution to "key new policy areas" as important criteria for recruitment.

At the time the Department was

'The public service culture is different from that in black communities'

culture of the Department while also encouraging, for example, "aviation in black communities".

The respondent pointed out: "The culture of the public service is very different from that prevailing in black communities. Black communities have a highly participative decision-making process, and are not hierarchical.

"Black people will have a tough time in the civil service, but this does not mean that they must be kept outside. They must move in as part of an overall process of change."

This approach was echoed by respondents from the Ministries of Land Affairs and Trade and Industry.

The approach of Foreign Affairs stood in marked contrast. Recruitment was aimed at simply filling the available posts, keeping in mind the racial balances the Department had to reach.

"We were well aware that we represented only the minority government, so since the beginning of the '90s we held several posts open."

Training is linked with job categories and enhancing promotion.

One of the conclusions reached in the Armscor study was that the drive for representivity has been identified by the Departments of Transport and Trade and Industry as a "change driver" in the overall transformation of these departments. Other departments tended to see representivity as the goal.

Strategic management

The study recommended that government departments should take a leaf from the strategic management approach. It recommends that a process should begin with developing a concept of the business and forming a vision of where the organisation needs to be headed.

The steps which follow are quite logical. These include writing up specific performance objectives, developing a strategy and monitoring its implementation.

The study also recommends that affirmative action be seen as a strategic objective which develops the long-term capability of the department to reach its vision.

Given the demographics of South Africa, Maphai, for example, argued that in the South African civil service, "being black is a necessary (though not sufficient) condition for being able to perform a certain function".

The High Court judgement shows that it is time South Africans reviewed their progress towards representivity in the context of restructuring the corporate world and the public service three years into democracy.

If anything, we should realise that affirmative action is not a cut-and-dry issue of white males versus the rest. Reflection may find that our approaches need enriching.

BD 23/4/97

360 'affirmative' contracts awarded

MALMESBURY — Nearly 360 contracts worth R182m had been awarded by the public works department to affirmative business enterprise construction firms in the past eight months, Public Works Minister Jeff Radebe said yesterday.

The department had awarded a total of 744 contracts worth R488m in this time, he said at the launch of the Malmesbury prison and housing project through which "we have achieved a participation goal of 38,8%".

The policy, developed and monitored by a task team and the department, aimed to involve small and medi-

um-sized enterprises owned and controlled by previously disadvantaged people.

Main contractors had to subcontract portions of their contracts, obtain supplies and materials from affirmative business enterprises, engage affirmative business enterprise professional, technical or managerial service providers, obtain bonds and insurance policies from affirmative business enterprises or enter joint venture partnerships with one or more such firm.

"Through this policy we are able to implement a key strategy in the 10-point plan," Radebe said. — Sapa.

Hansard

Deaths from diarrhoea

The MINISTER OF JUSTICE:

*11. Ms S C VOS asked the Minister of Health:

- (1) Whether her Department has evidence to support a recent study by the South African Water Research Commission which indicates that 650 people, mostly children, die every day in the Republic from diarrhoea, making it the country's leading cause of death; if not, what is the position in this regard; if so, what are the relevant details;
- (2) whether she will make a statement on the matter? N1115E

The MINISTER OF HEALTH:

- (1) No, the Department of Health does not have evidence to support or to refute this figure. A revised death registration system will be introduced this year and will provide more reliable data than is currently available.

(2) No.

Certification of new Constitution

opposed

*12. Mr W A HOFMEYER asked the Minister of Justice:

- (1) Whether an application has been submitted to the Constitutional Court opposing certification of the new Constitution; if so, what are the relevant details;
- (2) whether any of the attorneys-general were party to this application; if not, what is the position in this regard; if so, which attorneys-general;
- (3) (a) what costs were incurred as a result of the application and (b) what was the cost relating to the amount of time spent in the preparation and argument of this application by the staff of the various attorneys-general? N1116E

The MINISTER OF JUSTICE:

- (1) The details pertaining to applications submitted to the Constitutional Court opposing certification of the new Constitution are extensively reported in *Ex parte Chairperson of the Constitutional Assembly: In re Certification of the Constitution of the Republic of South Africa*, 1996 (4) SA 744 (CC).

(2) The Attorney-General, Transvaal (Advocate J A van S D'Oliveira SC) and the Attorney-General, Witwatersrand (Advocate A de Vries SC) opposed section 179 of the text (prosecuting authority).

(3) I am informed that -

- (a) Costs incurred by the afore-mentioned Attorneys-General were minimal and relates primarily to ordinary office expenses such as telephone calls and telefaxes.
- (b) Virtually all time spent in the preparation and argument of this application by the afore-mentioned Attorneys-General was spent after official hours.

Affirmative action: population demographics

*13. Mr J A JORDAAN asked the Minister for the Public Service and Administration: (176)

- (1) Whether, in implementing affirmative action in the public service, account is being taken of the population demographics in a particular region; if not, (a) why not and (b) what specific criteria are being used to determine whether candidates meet affirmative action requirements; if so, what demographics are being used in respect of each region;
- (2) (a) what percentage of public service appointments during his tenure as Minister have been affirmative action appointments and (b) in respect of what dates is this information furnished? N1117E

The MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION:

- (1)(a) No, in implementing affirmative action in the Public Service, only the national population demographics are taken into account. According to Section 195 (1)(i) of the Constitution of the Republic of South Africa, 1996, the Public Service must be broadly representative of the national demographics of the people of South Africa. Thus, all actions, measures and programmes for affirmative action in the public service are based on national demographics;

(b) Specific criteria being used to determine whether candidates meet affirmative action requirements are clearly set out in the White Paper on Transformation of the Public Service which include race, gender and disability. However, to ensure that the Public Service recruits the best of these groups or individuals, other factors such as educational qualifications, potential, experience and skills are taken into consideration in order to promote an effective and efficient public service;

- (2)(a) During the Minister's tenure, there have been 541 406 (100%) appointments of all racial groups and gender. Of these total appointments, there are 372 850 (69%) Africans, 36 422 (7%) Coloureds and 19 682 (4%) Asians/Indians affirmative action appointments. Of the total appointments, 306 900 (56.7%) are women. Unfortunately no specific data is available on disability figures as the field is still being incorporated on PERSAL;
- (b) The information is furnished from 30 April 1994 to 30 April 1997.

Courts authority to issue warrants

- *14. Mr J A RABIE asked the Minister of Justice:
- (1) Whether he intends introducing legislation to amend the Magistrates' Courts Act, 1944 (Act No 32 of 1944), in order to give courts the authority to issue warrants

for the arrest of creditors who fail to appear in court after receiving the relevant notices; if not, why not; if so, when;

- (2) whether he will make a statement on the matter? N1118E

The MINISTER OF JUSTICE:

- (1) Yes. Such legislation is about to be introduced into Parliament.

(2) Yes. The Magistrates' Courts Amendment Bill, 1997, aims to give courts the power to issue warrants for the arrest of judgment debtors who fail to attend court proceedings after having been duly notified to so appear. In terms of the Bill it will also constitute a criminal offence if a debtor wilfully fails to appear in court, and such person would on conviction be liable to a fine of R10 000 or to imprisonment not exceeding six months.

Unleaded fuel: under-recovery

*15. Mr J A JORDAAN asked the Minister of Minerals and Energy:

Whether since the introduction of unleaded fuel there has been an under-recovery as a result of the difference between the purchase price and the manufacturing price of unleaded fuel, if so, (a) what was the amount of the under-recovery during this period and (b) from what source has this amount been recovered? N1119E

The MINISTER OF MINERALS AND ENERGY:

Yes.

- (a) The price of unleaded petrol, as for leaded petrol, is based on 80 per cent of the posted [tern] prices at refineries in Singapore and Bahrain and on 20 per cent 'spot' [cash] prices at the Singapore refineries.

International market prices of petrol, and the Rand / Dollar exchange rate which is utilised to convert international product prices to

Board wins affirmative action case

CP 4/5/97 (176)

CP CORRESPONDENT

THE PRACTICE of affirmative action and black economic empowerment by the Mpumalanga Tender Board was vindicated in the Pretoria High Court on Wednesday, 30 April 1997.

Allegations of malpractice, bias, unreasonableness and the failure by the board to exercise proper discretion were finally quashed and the Board was justified in its application of affirmative action principles.

Tricor Industries took the Tender Board to court to set aside a decision taken by the board in September 1995.

The company asked the judge to award the tender in their favour.

Tricor Industries indicated in their affidavit that they accept the principle of affirmative action, but claimed that the tender board had used this principle as a sole criterion.

The case was won on technicality. Mr Justice Kirk-Cohen said in his judgment that Tricor Industries wanted to use the high court as a stepping

stone in trying to build up their case with a view to successfully launch litigation against the Mpumalanga Government.

The judge said the case was purely of academic interest, and that it would have no material benefit for the applicant, as the contract that was awarded had in any case been successfully concluded.

Judge Kirk-Cohen also ruled that there was no evidence to show that Tricor would have been awarded the tender even if the Tender Board decision was set aside, as there were many other tenderers who qualified.

The Mpumalanga Tender Board was represented by advocates Motimele (SC) and Rubaji.

The Chairman of the Mpumalanga Tender Board, Lot Ndlovu, welcomed the decision of the court and said that the principle of evaluating each and every case on its merits, in a fair, objective and transparent manner, would continuously be applied, as apart of the board's commitment towards reconstruction and development in the procurement of goods and services for the Mpumalanga government.

Call for genuine black empowerment

Ruiter's warns firms of 'soft option'

ARG 10/5/97

AUDE DASHNOIS
Business Editor

Black economic empowerment means more than just taking on black equity partners, provincial Director-General of Economic Affairs Tony Ruiter has warned.

Speaking this week at the launch by African Heritage Asset Managers of the South African Empowerment Fund, Mr Ruiter urged business not to take the "soft option" in black empowerment.

"Economic empowerment does not mean just taking on equity partners," he said, hitting out at businesses which took on black directors "with smart jackets and smiles who can say they are at the cutting edge where the deals are made".

"It is not about that. It is about the fun-

damental transformation of society."

Only when the benefits of black empowerment had trickled down to people in the poorest parts of the country could it be considered a success, Mr Ruiter said.

He said initiatives such as the South African Empowerment Fund were a challenge to other empowerment groups "who blaze the way in the papers but have nothing of depth and substance".

The fund, designed as an investment vehicle for union retirement money, is the first product of the African Heritage Asset Managers group. African Heritage Asset Managers was created in February as a joint venture between four trade unions, Coronation Asset Management, the National Empowerment Corporation, financial services group Commlife and LRS Financial Services. The trade union

partners are the Paper, Printing, Wood and Allied Workers' Union, the South African Agriculture, Plantation and Allied Workers' Union, the Transport and General Workers' Union and the South African Democratic Teachers' Union.

The fund, to be managed by Coronation, is hoping to draw R200-million from union retirement funds by the end of July. The money will be used to build up a portfolio of Johannesburg Stock Exchange-listed investments, taking advantage of investment opportunities offered to black groups.

After July, the fund will seek a listing in the investment trusts sector of the JSE.

The fund has already secured commitments of R58-million and has made its first investment - in Cape Town-based retail group L A Stores.



New fund: Zola Fubu, marketing manager of the South African Empowerment Fund with fund chairman Fred Robertson, footballer Marks Maponyane who delivered a speech at the launch, and Leon Campher of Coronation Asset Management who will manage the fund

SAPS accused of dragging feet on affirmative action

'After three years everything is the same'

(176)

Star 27/5/97

By JOVIAL RANTAO
Cape Town

Parliament's safety and security committee has attacked the South African Police Service management for lack of transformation and non-implementation of affirmative action.

Committee chairman Rapu Molekane expressed concern yesterday after senior members from the police management made presentations to the committee. "Your presentations are empty. They don't address transformation at all. They don't say what is being done to ensure there is visible transformation.

"They don't address the

problem of affirmative action and the shifting of resources for that purpose. They are vague. It has been three years now and the service is still the same," Molekane said.

Assistant commissioner Zelda Holtzman, head of the SAPS's equity component, told the committee that very little had been done in affirmative action because the process of compiling an affirmative action policy had been a long one.

She said the process had been delayed by objections from the SA Police Union, which wanted the implementation of affirmative action to be subject to negotiations with unions.

Assistant Louis Eloff told the committee that members of

the SAPS's change management team were currently in the provinces assessing progress and holding workshops.

"There is a higher level of service at stations and units where equality has been institutionalised," Eloff said.

■ It was revealed yesterday that 25 056 policemen, from a force of 136 000, had only a Std 8 qualification or less. The number of ordinary civil servants in the employ of the SAPS with Std 8 or less was 6 284.

The committee also heard that the police would require R12-million to resolve its internal communication problems by extending the areas reached by Pol-TV, the police internal TV channel.

Police 'vague' on affirmative action

PARLIAMENT'S safety and security committee has attacked the SA Police Service management for lack of transformation and for not implementing affirmative action.

"Your presentations are empty," said committee chairman Mr Rapu Molekane after senior police managers had appeared before the committee. "They don't say what is being done to ensure that there's visible transformation. They don't address the problem of affirmative action and the shifting of resources for that purpose. They are vague."

Assistant commissioner Ms Zelda Holtzman, head of the SAPS' equity component, told the committee that little had been done in affirmative action because compiling a policy had taken a long time. — Political Staff.

~~(176)~~

(176)

ET 27/5/97

Black empowerment concept 'not working' Only a few individuals benefiting

THABO MABASO
BUSINESS REPORTER

Black delegates at a one-day conference on black economic empowerment have called for a review of the concept because, they said, only a few individuals were benefiting.

Delegates told a conference that for black economic empowerment to succeed, big corporations had to look beyond enriching a few individuals from previously disadvantaged communities.

Property developer Moeletsisi Mbeki, brother of Deputy President Thabo Mbeki, said for black empowerment to succeed blacks had to have a hold over the economy.

"Big business' version of black economic empowerment is meant to defend it and not to open up opportunities in the economy," he said.

'The people who have benefited are no longer talking about a living wage, housing and solving unemployment'

Mr Mbeki criticised government privatisation programmes which he said transferred the state's responsibility to ease black people's entrance into the mainstream economy.

"If the state moves out and big business provides the service, then they will make sure they become the only significant players in the economy."

Bokomo senior executive Mphemo

Ramutloa also criticised the way black economic empowerment was defined.

"The most important thing, which is the transfer of skills, has not happened," Mr Ramutloa said.

"The people who have benefited are no longer talking about a living wage, housing and solving unemployment.

"If black economic empowerment doesn't address these issues, then the hell with it."

Fatima Allie, deputy head of the University Stellenbosch Centre for Entrepreneurship, said the focus should be personal empowerment.

"Economic empowerment should make people self-reliant and give them skills and ability," she said.

Ms Allie said at the moment all that was happening was "plastering cracks" without making any real difference to people on the ground.

ARG 30/5/97
(176)

Empowerment fund 'to aid disadvantaged'

BD# 2/6/97

(176)

Patrick Wadula

THE R1bn National Empowerment Fund to be launched by government in October next year would assist historically disadvantaged people into the mainstream of the economy, Public Works Minister Jeff Radebe said on Friday.

Speaking at the launch of the Black Business Council in Johannesburg, Radebe said the fund would enable historically disadvantaged people who had limited access to capital to participate in investment activities.

He said the fund would benefit large numbers of individuals through the distribution of small amounts of capital to each rather than enabling a few people to acquire large investment amounts.

Two kinds of opportunities for empowerment existed. The distribution on a mass basis to individuals, and facilitating the entry of

the historically disadvantaged consortia and groups into restructured companies, he said.

He said the appropriate mechanism to fulfil these functions would be set up in due course.

"We cannot accept a view that considers the small, medium and microenterprises as a junior partner in the overall integration of our activities," Radebe said.

"What we need to see happening is the opening up of the business sector, not a continuation of old forms of dominance with new look faces in the boardroom," he said. Deputy Trade and Industry Minister Phumzile Mlambo-Ngcuka said in a report at the weekend the fund would hold a minority share in all of SA's privatised parastatals, and would offer units in the fund at a considerable discount.

The fund was expected to take a 10% stake in Telkom as its first initial investment.

40% of managers 'would leave SA' (176)

Business Day Reporter

BD 5/6/97

FOUR out of 10 managers would leave SA to work elsewhere, according to a study by the University of SA's (Unisa) Graduate of Business Leadership survey. This compares with a third who said they would leave when asked the same question in a similar study three years ago.

The latest study polled 300 managers for their opinions on leaving SA, affirmative action, job satisfaction and performance management.

The study found that 60% of managers believed that top management of their company was committed to affirmative action. This is lower than the percentage recorded in the previous study.

Relations between employees of different races were perceived to have slipped since 1994, with a little more than 60% of managers now reporting that race relations were good, the study said.

On the other hand, half the managers surveyed believed their promotion prospects were good, higher than in the previous study.

The study was conducted with the International Survey Research, a Chicago-based firm studying employee and management attitudes in 92 countries.

Two out of three managers were satisfied with their job security, more than the proportion found in studies of managers in the US and the UK.

Project leader of the Unisa study Karl Hofmeyr said that this last finding suggested that although job security was regarded as important in SA, there was still more perceived security here than in other countries.

The majority of managers in the study felt they had enough opportunity to receive training to improve their skills in their current jobs. This was slightly higher than the percentage recorded in the US and UK.

Only six out of ten managers understood how their job performance was evaluated and only half felt their performance were evaluated fairly.

"In this area, SA companies do less well than their counterparts in the US or UK," Hofmeyr said.

The study also found that SA companies were inadequate in getting the opinions of their employees.

Boer labour union established

Pretoria – A “Boere labour union has been established in Randburg to withstand “the destructive effects of affirmative action”, the Boerevolk Werkersunie (BWU) said in a statement.

The union said members would be served by 150 officials countrywide. The union would train its members in armed self-defence in a bid to to combat hijackings. A clinic providing members with a 24-hour legal advice service has also been established.

The BWU want recognition of traditional Afrikaner holidays as paid holidays.

Boerestaat Party leader Robert van Tonder has been elected BWU president. – Sapa

ARG 9/6/97

More blacks graduate, but big battle for jobs as firms opt for experience

ARGUS CORRESPONDENT

Johannesburg - Black university and technikon graduates - whose numbers have more than doubled in recent years - are still battling to find jobs as private companies opt for experience rather than educational qualifications, personnel agencies and educationists said here.

They urged companies to introduce training programmes

ARG 11/6/97
to help graduates make the transition from the academic world to the workplace.

The disappointing job outlook is in sharp contrast to figures released by the South African Institute of Race Relations (SAIRR) showing a huge upsurge in the number of black graduates.

The SAIRR study found that from 1991 to 1994 the number of degrees, diplomas and certificates awarded by universities to Africans increased by 42 percent against the one percent for

(176)
whites. Over the same period at technikons the figure for Africans rose by 167 percent against 10 percent for whites.

But the increase in the level of education of blacks has far outstripped the number of jobs available.

The manager of placements at the Black Management Forum, Thobeka Modikoe, said the 375 unemployed black graduates on her books had been left disillusioned with post-matric education.

CSS will be 50 percent black by 1999 deadline ⁽¹⁷⁶⁾

By Shadrack Mashalaba

THE Central Statistical Service (CSS) says 50 percent of its posts will be occupied by blacks before the 1999 deadline set by the Government.

In its 1996 report the CSS says 30 percent of these posts will be occupied by women and two percent by disabled people. This representation will be achieved in every major component of the organisation.

The CSS, which publishes a wide range of statistics and other information on South African economic, demographic and social conditions, employs three female and five black officers in its management echelons.

The report says the number of women at the level of assistant director and above has increased from 37 percent to 56 percent. The number of blacks has risen from 82 in 1995 to 133

in 1996 and to 302 in 1997. The corresponding percentage of whites employed by the parastatal decreased from 86 percent to 52 percent, the report says.

CSS head Dr Mark Orkin says the organisation has transformed itself into becoming an increasingly productive agency, delivering relevant and reliable statistics more timeously than before.

Development strategies

The CSS has to fulfil challenges which, among other things, include monitoring the impact of economic and development strategies and developing coordinated local government statistics bases in all provinces. These functions, cautions Orkin, will not be adequately delivered because of budget cuts.

Apart from R15 million used to process the 1996 census, the organi-

sation's budget for the current financial year is R85 million.

The CSS also receives R30 million worth of technical assistance from the United Nations Fund for Population Activities and Swedish, Australian and Norwegian statistics bodies.

"The decision-making capacity of government at all levels, as well as that of the private sector and the community, will suffer as the statistics on which they base their plans and track implementation will be attenuated," says Orkin.

He adds that the situation is exacerbated by personnel who were not absorbed during the rationalisation process and who remain additional to the establishment until employer-initiated retrenchments are reintroduced.

The CSS says part of its role for this year will be to begin its three-year strategic plan:

Sowetan 12/6/97

Law to promote affirmative action in public service

David Greybe

BD 12/6/97

(176)

CAPE TOWN — Government ministers will be able to make affirmative action appointments in the public service without merit being the "overriding principle", after a parliamentary committee agreed yesterday to amend the relevant legislation.

The public service committee agreed to an amendment to the Public Service Laws Amendment Bill proposed by the African National Congress (ANC), which committee chairman Salie Manie said would allow affirmative action appointments.

The amendment had to be seen in the light of last year's failed attempt by Justice Minister Dullah Omar not to consider white males for promotion to about 30 senior positions. Omar and Public Service Minister Zola Skweyiya were taken to court by a group of white male state attorneys who said they were victims of racial discrimination.

Manie said the Public Service Laws Amendment Bill aimed to bring legislation "in line" with the constitution and the Labour Relations Act until a new public service act was in place.

In proposing the amendment, ANC MP Maria Rantho said if the words "race, gender and disability" were not added to the clause which called for a public service "broadly representative of the SA people", it could be open to "various interpretations".

She said it was imperative to get rid of merit as the overriding principle in the appointment of public servants.

Public service deputy director-general Sandile Nogxina said his only concern was whether the issue was one of "mutual interest" to the employer and employee. If it was, the executive arm of government and trade unions had to discuss it in the Public Service Bargaining Council's central chamber.

However, Manie said he had taken legal advice and was told that as the legislative arm of government "even if it is a matter of mutual interest, it does not prevent the committee from amending legislation". While it was "advisable" to consult the unions, the committee could not be held to ransom.



TRANSFORMATION: Cape attorney-general Frank Kahn surrounded by new recruits in his department, who have been selected to represent the future.

PICTURE: BENNY GOOL

Trainee prosecutors on the fast track

ROGER FRIEDMAN

WHEREAS the word "prosecutor" used to conjure up images of conservative white males, a breath of fresh air blew through the corridors of Cape Attorney-General Frank Kahn's office last night, which he referred to as "the future".

"I have never felt better about the future of the Department of Justice than during the week in which we were interviewing you," Kahn told 20 candidate prosecutors — gathered for a cocktail party in his boardroom — who have been selected for the country's first prosecutor fast-track programme.

Ten of the 20 will be taken under the wing of the senior prosecutor for Wynberg, with the other half being deployed in Cape Town.

East London, Port Elizabeth, Durban, Pietermaritzburg, Johannesburg, Pretoria, Bloemfontein and Klerksdorp have also been bolstered by 10 candidates each.

It is estimated the candidates will be ready to assume the mantle of permanent prosecutors within a year, instead of the three to four years of experience usually required for selection to such posts. They joined the department earlier this month.

With transformation the name of the department's game, Kahn explained to the gathering that the fast-track programme "invested in the future, (it is) a programme trying to create experience and ability in a hurry".

But this was no window-dressing exercise, tokenism or an affirmative action programme for the sake of political correctness. Kahn has recognised that, in

order to turn around the culture of violence, the community needs to trust the system of justice, a trust that was betrayed by the previous, racist government.

"Our whole justice system can only be effective if we mirror the community we serve ... (this office) cannot be effectual without it," he said. Instead of hero-worshipping the neighbourhood gangsters, children should aspire to emulate the prosecutors in their midst.

The 20 Western Cape candidates were chosen from 100 applicants. Kahn said he sat through their interviews enthralled and impressed. Most of the applicants had helped to put themselves through university, with professions as diverse as an opera singer, kick-boxer and dressmaker in their ranks.

Fourteen of the 20 are black women.

Headhunters of black execs slated

(176) ARU 23/6/97

BUSINESS REPORTER

Companies headhunting senior black personnel from other companies are doing South Africa a great disservice, says Thobeka Modikoe, acting managing director of the Black Management Forum.

Ms Modikoe said the notion that affirmative action was not working had some merit to it. She said black managers were being put into high executive positions with all the trimmings.

"What is not seen is the frustration that these executives have to experience."

She said few companies had a mentoring system, but rather a black manager in a senior position with little experience.

Managers pay less attention to supervisors

Affirmative action posts 'emasculated'

CT(BR) 26/6/97 (176)

SHIRLEY JONES

KWAZULU NATAL EDITOR

Durban — South African companies have alienated their supervisors over the past 20 years, a problem that could have far-reaching consequences, an industrial relations consultancy said yesterday.

Bruno Bruniquel, a director of Bruniquel and Associates, said the problem was very real throughout South Africa and would become worse, as this was the area chiefly reserved for affirmative action placements.

Bruniquel said few, if any, companies could claim to have treated supervisors or middle managers fairly.

"Very few businesses have empowered their supervisors. Instead, they have taken away their authority. Few are involved in meaningful decision making and find themselves in no-man's land, in between workers and shop stewards," he said.

Supervisors had little job security, were often expected to put in overtime, and had to put up with much intimidation for little reward, Bruniquel said.

For example, he said, in terms of the new Labour Relations Act, companies had to give shop stewards time off to fulfil essential tasks and for training. The average company allowed up to five days paid leave for this. But this seldom applied to supervisors, who often lost ground to shop stewards.

Bruniquel said this middle management muddle dated back to the 1976 Soweto uprisings. Until then, the relationship between management and workers was largely paternalistic and discriminatory.

After 1976, with the introduction of liaison committees which garnered increasing powers, business began shifting its management focus.

"As the unions came in, management paid less and less attention to the supervisors or middle management, but these are the guys at the coal face," he argued.

Bruniquel said ineffective supervisors often meant drops in productivity and increased disciplinary problems.

"This is the person in the frontline, who should be combat-

ing thefts. The problem is that the average supervisor is often too scared, as he stands to lose his life," he said.

He stressed that companies needed to look closely at the living standards of supervisors and

see to it that they were not vulnerable to physical attack or being set up as targets.

To correct this problem would take from three to five years, Bruniquel said.

"You've got to generate a climate where people are cared for, which is not easy for managers on ego trips who are out there chasing profits," he said.

'Few are involved in any sort of meaningful decision making'

Quit threat sparks army crisis

POLITICAL STAFF



176

ARG 27/6/97

There is an atmosphere of crisis at the highest levels of the South African National Defence Force after a threat by 10 generals, all of them white, to resign in protest against what has been described as "indiscriminate affirmative action".

The situation has become so serious that President Mandela, constitutionally

the Commander-in-Chief of the SANDF, summoned Defence Minister Joe Modise and about 80 members of the General Staff to his office at the Union Buildings in Pretoria yesterday to discuss the problem. He appealed to the 10 generals to reconsider their threat to resign.

The National Party linked the threatened resignations to "indiscriminate affirmative action policies".

Panic over flight of generals

Apr 28/6/97

(176) (254)

POLITICAL STAFF

A drastic shake-up at the highest levels of the South African National Defence Force is on the cards after the threatened resignation of 10 white generals in protest against the Government's affirmative action programme.

Their threat has plunged the SANDF into a crisis which led this week to President Mandela ordering Defence Minister Joe Modise and some 80 members of the general staff to the Union Buildings in Pretoria for a meeting.

Afterwards he appealed to the 10 generals to reconsider their threat amid reports that, if they went ahead and quit, the SANDF

would lose its most experienced and best-qualified leaders.

There would also have to be what has been described as one of the widest-ranging and most drastic changes in the upper echelons of South Africa's military.

Freedom Front leader General Constand Viljoen, once head of the former SA Defence Force, has offered to become personally involved in seeking a solution to the crisis, and urged the generals to give serious consideration to Mandela's appeal to stay on.

The National Party has linked the threatened resignations to what a spokesman yesterday described as "indiscriminate affirmative action policies and rough-

shod handling of senior staff by the Government".

NP Gauteng south regional chairman Johan Kilian said in a statement the country could not afford to lose the accumulated knowledge and experience of the generals. "We respect the privacy and personal reasons which prompted their resignations, but appeal to the generals to reconsider and attempt to find solutions that would make it possible for them to continue with their vitally important work," he said.

If the generals went, not only the SANDF, but the entire country would suffer an irreplaceable loss he said. The Government should do everything possible to create

conditions making it possible for them to stay. Kilian called on the Government to prevent this "tragic exodus" with decisive action at the highest possible level.

Viljoen welcomed Mandela's appeal to the generals to reconsider leaving, saying it created an opportunity to take up grievances with the president and Modise.

He said he was not against transformation but that it should not be done over-hastily, or as a result of political pressure.

Politics did not belong in the defence force, Viljoen added, and he called on Mandela, as the constitutional commander-in-chief of the military, to enforce this principle.

Top generals threaten to quit, Mandela intervenes

Affirmative action cited as major cause

POLITICAL STAFF

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'The Government must prevent this tragic exodus with decisive action'

AAAT 28/6/97

(176)

Affirmative action 'requires goal'

Patrick Wadula

BD 3/7/97

(176)
IT WAS important when a company decided to take the affirmative action route that it should be dedicated to the move and have a goal, said Black Management Forum acting MD Thobeka Modikoe.

The goal should be to improve the experience of the black manager so that he or she became an asset to the company, "not a burden, as so many affirmative action positions are now perceived".

Modikoe said many South Africans thought affirmative action was not working, and "this belief does have some merit".

She argued that if affirmative action was not working, the blame had to be placed with the companies that employed black personnel in an effort to look progressive.

Very few companies had a mentoring system. "What they do have is a black manager in a

senior position, with an MBA and little experience. What is not seen is the frustration these black executives have to experience every day of their lives."

Modikoe said such employees were placed in high, front-line positions with little or even no responsibility.

"It is a basic need within every human to feel needed and to be part of any system. That is why we have organised business structures," she said.

Unfortunately, affirmative action positions were given only to a select few — usually those who had been able to get experience abroad.

"That means the same people are being circulated among SA's top companies. The error in doing this is that these black managers are head-hunted, and while their packages increase, their experience does not."

When companies head-hunted in this way they were doing SA a great disservice, she said.

'Window-dressing' firms lose out

Shareen Singh

(176)

BD 3/7/97

COMPANIES using blacks as a front in order to secure government contracts are being found out and consequently losing tenders, says Institute for Personnel Management (IPM) executive director Pat Gamede.

She said she was aware of several cases where government departments had not granted tenders to certain companies because it had become apparent that blacks had been absorbed within the firm's management structures just before the tender application.

Other cases revealed that blacks were placed in higher management positions as "window dressing".

"Their skills and capacity indicated that they were not in a position to contribute to the direction and running of the company," Gamede said. "Government has become aware of such tricks and cannot be fooled anymore."

Research had shown that affirmative action had made great strides in the months before and after the 1994 elections. Since then the pace had slowed down, "with many companies becoming complacent because they do not feel under pressure anymore".

SA companies found implementation of

"affirmative action with real empowerment" costly, as it had to be coupled with training.

"Unless companies are prepared to invest in training, we will be saddled with tokenism, which in the end will give affirmative action a bad name."

Gamede said she believed the labour department's Employment Equity Bill, currently being debated at the National Economic Development and Labour Council (Nedlac), would make a positive contribution to ensuring that companies operating in SA invested in the development of skills, particularly those of black workers. This would empower workers in the "true sense and enable them to get to the top".

White fears had also been a barrier to successful affirmative action implementation at many firms.

"Sometimes the threat of being succeeded by a black person creates enormous problems. For this reason white employees are not always keen to mentor their black colleagues," Gamede said.

Research had shown that women were the fastest moving recruits in SA companies, accounting for between 40% and 50% of all new appointments.

'Affirmative jobs are there but the people are not'

The Housing Department was experiencing problems with the implementation of affirmative action because suitably qualified people could not be found in the affirmative-action categories to fill vacancies, the department's chief director of corporate affairs, Johan Jooste, said at the weekend.

He said 59 vacancies existed within the department because suitably qualified people could not be found. As a result, service delivery suffered, Jooste said in a submission to the Presidential Review Commission established by President Nelson Mandela to investigate transformation within the public service.

The Housing Department was challenged by the Public Service

Commission when the department pleaded that government departments should not be forced to implement affirmative-action policies within a specific time frame, but be given time to find suitably qualified people.

Meanwhile, the department's acting director-general, Neville Carstens, blamed slow delivery on a lack of capacity at provincial level, and the fact that housing was perceived as a high-risk area. He also mentioned the negative effects of crime and violence.

Carstens estimated the total housing backlog as between 2 and 3 million units.

Public Service Commission chairman Professor Stan Sangweni, asked by PRC chairman Dr Vincent Maphai about the future

of the PSC, said this depended on its moral authority.

The PSC was concerned about gender imbalances in departments, Sangweni said, adding that commissioners queried mechanisms to monitor targets for affirmative action, management commitment, target setting, monitoring of corruption, improving service delivery and cost.

The PSC had identified 12 government departments for investigation. These included Land Affairs, Water Affairs and Housing. Other departments involved in service delivery included Safety and Security, State Expenditure and Public Service and Administration.

The next hearings will be held on August 1 and 2. - Sapa.

(176) (S)

Star 7/7/97

No skilled personnel to fill vacant posts

Jooste 7/7/96 (176)

THE Housing Ministry is finding it hard to implement affirmative action because of a lack of suitably qualified people to fill vacancies, the department's chief director of corporate affairs Mr Johan Jooste said at the weekend.

He said 59 vacancies existed in the department because they could not find suitably qualified people.

As a result service delivery suffered, Jooste said in a submission to the Presidential Review Commission (PRC) established by President Nelson Mandela to investigate transformation in the public service.

The Housing Ministry was challenged by the Public Service Commission (PSC) when the ministry pleaded that government departments should not be forced to implement affirmative action poli-

cies within a specific time frame but be given time to find suitably qualified people.

Meanwhile, acting director-general of housing Mr Neville Carstens blamed slow housing delivery on a lack of capacity at provincial level and the fact that housing was perceived as a high-risk area.

Slack delivery

He also blamed the slack delivery on the negative effect of crime and violence.

Carstens said builders were often attacked on site by criminals. "These factors not only had a negative impact on investment but also contributed to higher building costs," he said.

Carstens estimated the housing backlog to be between two and three

million houses countrywide.

PSC chairman Professor Stan Sangweni, asked by Dr Vincent Maphai, chairman of the PRC, about the future of the PSC, said the PSC's effectiveness would stem from its moral authority.

The PSC was concerned about gender imbalances in government departments, Sangweni said.

He added that commissioners queried mechanisms to monitor targets for affirmative action and performance; management commitment; target setting; monitoring of corruption; improving service delivery and costing of transformation programmes.

Twelve government departments, directly involved in asset delivery, had been identified by the PSC for investigation. — Sapa.

MINISTER LIKELY TO RESPOND TODAY

Omar in hot water with law groups over criticism

REMARKS ON affirmative action and white magistrates by Justice Minister Dullah Omar have caused much unhappiness among state advocates and magistrates. Political Writer **KARIN SCHIMKE** reports.

CT 9/7/97

(176)

STATEMENTS by Justice Minister Mr Dullah Omar in a weekend interview have landed him in hot water with groups in the legal profession, indicating that the Justice Department is unable to rid itself of internal wranglings over affirmative action.

So drawn out was the dilly-dallying on affirmative action, Society of State Advocates chairman Mrs Retha Meintjes said yesterday, that the entire justice system was being held up because appointments were not being made.

In March, after a year-long court battle, the Justice Department was ruled to have unfairly discriminated against white male lawyers through its affirmative action policy. This weekend Omar was quoted as saying a departmental committee which had to decide on policy and procedures to fill posts was struggling to reach consensus.

"As soon as that happens, posts can be filled," he said.

Last month, the department advertised 23 posts for senior state attorneys and four for deputy attorneys-general, despite there not being — according to Omar — consensus, said Meintjes.

"We were informed that an action plan would have to be negotiated by the department and all other parties. A technical committee was formed to do this," she said.

At a meeting in April, the Society for

State Advocates presented its plans on policy and procedures for affirmative action.

"Urgent negotiations would have followed. However, apart from the department having cancelled the meeting scheduled for May 7, with an undertaking that another (would) be scheduled before the end of May, we have not heard anything from the department," she said.

Meintjes said her organisation had no idea what Omar and his department's reactions were to its plans, adding that the society strongly objected to allegations Omar made in the interview.

"Minister Omar can only blame his department for this unreasonable delay."

Sapa reports that the Judicial Officers' Association of SA — said to represent more than 800 of the country's 1 200 magistrates — has remarked that Omar's "racially divisive" remarks in the interview undermined the independence of magistrates.

Omar said in the interview that white males from the apartheid system were to blame for court rulings on bail and sentences and not the "new black appointments".

He said: "The new black prosecutors are doing good work. The work of many whites who have been in the system a long time is bad. It's not a question of black or white or affirmative action, it's about the quality of work."

The association said Omar's statements had created a perception which undermined the efforts of magistrates to play a significant role in strategies to fight crime.

"Neither is this perception likely to foster confidence in the legal process, particularly in those communities plagued by lawlessness," the association said. It was committed to the principle of affirmative action in appointments in the judiciary and its criticism of Omar did not mean magistrates should not be held accountable.

Their status, competence, independence and commitment to judicial norms should, however, "not be undermined by generalisations of a racially divisive nature, which at best only apply to certain exceptions".

Mr Paul Setsetse, speaking on behalf of Omar, said yesterday the minister did not want to respond until he had studied the statements by the two organisations. His response would most likely be ready today.

Too few are qualified for affirmative action

NCABA HIOPHE

(176)

ET (PR) 16/7/97

black applicants could be found.

Johannesburg — Race-based affirmative action was failing in both the public and private sectors owing to the small number of trained black managers trying to fill middle and senior management positions, the Institute of Race Relations said in its latest newsletter.

Colin Douglas, the institute's parliamentary affairs manager, said government officials at a recent human rights conference had talked of difficulties in meeting racial targets or quotas.

"The officials said their departments could not be expected to make substantial moves towards racial representativeness as long as there were too few trained black managers. They also said too little was being done to train lower-level black staff to equip them for senior positions."

Douglas said officials in the North West province said 40 percent of middle management posts in some departments were vacant because no suitably qualified

Pressure was mounting on the labour department to moderate its affirmative action plans set out in the green paper and due to be incorporated in the employment equity bill this year, he said.

The green paper proposed giving the department the power to compel employers to produce equitable representation of blacks and women and punish those employers who could not conform to the requirements.

However, Siphosiso Pityana, labour director-general, said inadequate qualifications among blacks has been used to keep them from jobs and had tended to widen the skills gap between whites and blacks.

"Nobody is suggesting ill-qualified people should be placed in positions of responsibility, but blacks should be given the exposure and opportunities to learn and develop," Pityana said.

He said the green paper proposed incentives and sanctions to employers.

Disabled ready to raise hullabaloo

CT(PNR) 17/7/97 (176)

Apartheid's legacy of a racially skewed labour market has made affirmative action policies necessary; to achieve the equity implied in the new constitution, some form of redress is essential.

On this the labour movement and the ruling political alliance are united. However, the policy remains controversial, with entrenched interests often crying "reverse racism".

When parliament finally gets around to dealing with employment equity legislation, perhaps before the end of the year, the shrieks of outrage from historically advantaged sectors could be extreme. Especially if, as seems possible, provision is made for the introduction of employment quotas to ensure an equitable balance in the workforce.

Should this happen, it would have the support of Cosatu, the labour union federation, and the labour movement as a whole.

But in the hullabaloo to come, as with much of the fuss in the past, the most disadvantaged section of the population may go largely unnoticed. Yet this is the section campaigning the hardest for the inclusion of an employment quota system.

In parliament, the campaign will be spearheaded by the wheelchair-bound ANC MP Maria Ranthu, who is also the chairman of Disabled People of South Africa (DPSA), the development group.

"When you are as far behind as we are, there really is no choice other than a quota system," Lichelle Berry, the DPSA national policy development co-ordinator, said.

South Africa — courtesy of a violent recent past and present — has a higher proportion of disabled people than most countries.

Most come from historically disadvantaged backgrounds, and half of them are women.

Berry is a classic example.

Her spine was severed by a bullet in a drive-by shooting during an outbreak of taxi warfare.

She is now one of more than 5 million South Africans — an estimated 13 percent of the population — who are disabled, most of them physically.

The latest available survey, carried out for the SA National Council for the Blind (SANCB), found that only 0,18 percent of the national workforce comprises disabled people.

A survey conducted in 1986 by the University of Potchefstroom established that 0,25 percent of the workforce was disabled. Yet the average employment rate for disabled people in developing countries is 10 percent.

"We have actually lost ground over the past decade," Philip Bam, the Cape Town-based director of the League of Friends of the Blind, said. "And because of the level of inequity, we have to support quotas."

The quota system was also "reluctantly" supported by William Rowland, the SANCB executive director.

But Vanessa Boucher, his deputy, said the group's focus remained on skills training for those who are permanently blind. "We also have to realise that more than half the blind people in South Africa suffer from cataracts, which are curable."

Those suffering from cataracts are mostly older people living in rural areas. If they were reached and treated there would be a dramatic reduction in the number of more than 1,5 million blind people in the country.



TERRY BELL

"But there is also so much more that could — and should — be done to assist in access for the disabled," Petronella Linders, the DPSA provincial co-ordinator, said.

She said there are regulations that make it compulsory for public buildings to have access for wheelchairs, for example, but there is no way of enforcing this.

"Just look at the average post office or police station for good examples," said Berry. "That is the level we are dealing with before we even get to the employment front. The previous government did nothing."

But this last comment is not strictly true. A racially biased and occasionally paternalistic regime did sponsor a few ghettos of patronage in the form of "sheltered workshops". These were havens for the fortunate few.

But Bam said: "That's not what we want or need. The disabled should be integrated into society and the economy."

The constitution, the Labour Relations Act and other, recent, legislation all stress the principle of equity.

"There are enough pretty words," said Berry. "What we need now is positive affirmative action."

The days of mentally alert, willing workers having to "lie in a back room, a burden and embarrassment" to their families because of disability must come to an end. Similarly, the paternalism of the "welfare approach" should become passé.

Change — particularly in attitudes — may be slow. But, given the confidence and determination of the disabled campaigners and their supporters, especially in the unions, the voice of the most disadvantaged section of the population shows every sign of being heard and acted on.

'Blacks denied business power'

Organisational culture seen as hostile, foreign

THABO MABASO
BUSINESS REPORTER

South African corporations by and large refuse to allow their black employees access to positions in which they can take important decisions, says a recent study of 58 big and small scale organisations by an independent economic research institute.

The Africa Institute for Policy Analysis and Economic Integration (Aipa), also found that many leaders in organisations were not properly equipped to deal with the issue of affirmative action.

"The current reality is apparently one where black managers experience the prevailing organisational culture as something hostile and foreign," the study said.

Despite saying that its findings were inconclusive in terms of organisational structures, the study however did detect a lack of organisational support for black managers.

Black managers interviewed by the researchers were suspicious that the jobs they were appointed in were stripped of risk-bearing authority.

"The research confirms the importance of preparing black managers for positions, developing suitable career paths for them and not practising tokenism in terms of affirmative action," the study said.

It said some form of government coercion coupled with a system of rewards for employers that implemented affirmative action could remedy the situation. It also highlighted the need for organi-

sations to revamp their structures. The aim of this would be to optimise empowerment and to ensure free movement of black managers across departmental boundaries.

The establishment of a suitable performance feedback system for black managers is also suggested.

"These should be used for as a platform for further training and development as well as for rewards and recognition," it said.

"As such the starting point should be the development of a common vision followed by a process which have as the output a set of shared values and behavioural norms which should guide all members of the organisation in striving to attain such a common vision," the study added.

"Black managers should also be developed in terms of assertiveness, organisational communication skills, how to understand organisational politics and how to move to a higher degree of personal mastery, all of which should empower them to be masters of their destiny," Aipa said.

The study concludes by recommending that organisations pay attention to its stance in terms of corporate governance, "its vision, goals and perceptions, shared values and a behavioural ethos which stems from a process of interactive development".

The results of the study have been compiled into a booklet called *Black People's Access To Entrepreneurial Power In Corporate South Africa*, which is now available at bookstores.

(176) ARG 18/19/97

Affirmative action: is the problem a lack of courage?

ARLT 19/7/97

(176)

The consequences of affirmative action are grave, most of all for South Africa's blacks, says **Andrew Kenny**, writing in the London Spectator.

I first went to the University of Cape Town in 1967 to study physics and then went back in 1984 to study mechanical engineering. I saw two vivid changes when I returned: there were many more black students and all public debate had ended.

In the 1960s I attended raucous mass meetings of students arguing for and against apartheid, and heard visiting members of parliament from all parties being loudly cheered and heckled. In the 1980s these public debates had been replaced with what seemed like prayer meetings in which a student leader would pay homage to the pro-ANC, socialist orthodoxy before a small, respectful audience and which would end in a murmur of assent.

Only speakers who obeyed the party line were allowed on campus: Alan Boesak and Trevor Manuel, ANC supporters, could speak; Chief Buthelezi of the IFP was banned. In 1986 the visiting lecturer Conor Cruise O'Brien was howled down and driven out by bunch of black students because he derided the 'academic boycott' of South Africa.

He never returned and a commission of inquiry, appointed by the university, sided with the student thugs and condemned him for having 'a colourful and volatile personality' and being 'politically provocative'.

Since then the triumph of acquiescence over argument has been almost complete. The universities are at the centre of huge and difficult problems about which the truth desperately needs to be spoken, but is nearly always evaded.

There is, for example, an absurd debate over the "transformation" of the universities from "Eurocentric" to "Afrocentric" ideas.

The striking point about this debate is that you are never allowed to enter it. You must simply nod your head to it.

If you remembered that, at the time of their meeting with white men, black men had no written language, and suggested that Afrocentric universities should abandon writing and go back to the oral tradition, you would be shouted down as a racist – and the threat of being called a racist is enough to silence any critic.

Apartheid spent far more money on the education of each white child than it did on each black – and black children are still at a huge disadvantage.

If university entrance was based purely



Toeing party line: Allan Boesak

on merit, whites would get far more places.

The approved remedy is affirmative action, special training or special exemptions for blacks.

The aim is to increase the percentage of blacks in universities until it matches that in the population. Indeed the numbers are going up: between 1991 and 1994 the number of diplomas and degrees awarded to blacks increased by 42 percent, compared with 1 percent for whites (although whites in 1994 still had 76 percent of the degrees held by the population).

Moreover, the big corporations, such as Anglo-American, and State-run industries, such as Eskom (electricity) and Telkom (tele-communications), deliberately employ blacks to raise their racial quotas.

The consequences are mainly disastrous.

Poorly educated blacks are pushed into university courses they cannot manage, forcing the authorities either to lower standards, so discrediting their degrees, or to



Shouted off campus: Conor Cruise O'Brien

humiliate the blacks with failure.

Often blacks enter university simply for the bursary money, which they send back to their large families in the townships, so turning educational finance into a form of social security.

In the industries where I worked as an engineer, any black man higher than a labourer was referred to as an "affirmative" and it was automatically assumed he was incompetent and given the qualification and the job because of his skin colour.

All of this is well-known to everybody in private, but not admitted in public.

It makes the whites scornful and resentful – and is leading to a damaging emigration of skilled white men.

In the deepening gloom of the South African university system there are a few rays of light and the brightest shines from an unlikely source at the University of Cape Town.

It is the Academic Support Programme for Engineering in Cape Town (Aspect)

which was begun in 1986.

The biggest problems for black students are mathematics and science. Aspect was started to tackle these by an engineering lecturer, Andrew Sass, who lectured me.

Sass is a burly ex-engineer, a superb lecturer and organiser, plain-spoken and honest. His only affectation is pretending to be less clever than he really is.

Seeing the plight of black students in the first two years of the engineering degree, he hit upon the idea of an extended curriculum, in which blacks do the same courses as whites and are examined just as critically, but they do in three years what the whites would do in two.

Black students receive special help and training to help overcome the handicaps of a poor school education.

The results have been encouraging. In their final years blacks do as well as whites.

Sass told me that it was crucial to develop the study skills of black students, breaking their habit of rote-learning (for which they seem to have extraordinary memories) and encouraging understanding and reasoning.

He said his ideas about the intelligence and inherent ability of blacks have changed dramatically over the 10 years he has been working with them.

He says there is no such thing as a single IQ test to judge between the races and the single best judge of a potential engineering student was his ability in his home language.

If he had two candidates for an engineering place, one with an A in mathematics and a D in English in his matric results, and one with an A in English and a D in mathematics, he would give the place to the latter. This is a cold-blooded scientific assessment from a practical man.

Unfortunately, for every Andrew Sass in South African universities there are a thousand dull-witted, politically correct academic functionaries who speak about "the neo-liberal paradigm" and the "African cultural ethos", who blame their failures on lack of funds and the "legacy of apartheid", who cannot write plain English and are suspicious of anyone who can, and whose only strong emotion is a loathing of original thought and any deviation from their constipated orthodoxy.

There are clear ways forward for higher education in South Africa, but at the moment the shortage of courage and truth is much more serious than the shortage of money.

■ The author is an engineer with a South African mining company.

Govt departments find dearth of trained staff

BD 24/7/97

(176)

Shareen Singh

GOVERNMENT departments are battling to comply with racial quotas and targets for their staff complements as "suitably qualified black applicants" cannot be found to fill vacant positions.

The latest edition of Fast Facts, a publication of the SA Institute of Race Relations, said government officials, speaking during a recent Human Rights Commission conference workshop, said their departments "could not be expected to make substantial moves towards racial representativeness as long as there were too few trained black managers".

The officials said too little was being done to train lower-level black staff to equip them for senior positions. Reports from provincial governments to Parliament had supported these views, the magazine said. The North West province, for example, reported that 40% of middle management posts in some departments had not been filled because suitably qualified black applicants could not be found.

Government officials at the conference said they were sceptical about compulsory race classification. Some officials had expressed frustration that they did not have guidelines on whether to classify employees and job applicants by race, and if this was necessary, how to go about doing so.

"Consequently some departments were undertaking racial classification and others were not," the publication said.

The Central Statistical Service's (CSS) chief director of demographic surveys, Pali Lehohlo, said SA's history of using "race to disempower certain population groups meant that racial classification was still a necessity as a way of monitoring the deracialisation of society".

The removal of apartheid from the statute books had to hold meaning at all levels of society and "how does one get a sense of the disempowered climbing the economic ladder and demographic performance in other areas if not by classification?" Lehohlo said.

He believed that racial classification was a definite require-

ment in job applications, particularly in the public service, where major transformation was being implemented.

Institute of Personnel Management executive director Pat Gamede said race classification for the purposes of affirmative action was necessary, "but only if combined with affirmative action programmes and as part of a process of transformation".

However, caution was needed to ensure that "race classification was not used as a discriminatory tool", Gamede said.

It was difficult to understand how government departments were unable to fill middle management positions as there was a large pool of black graduates and "those with a degree are trainable". Government was expecting the private sector to invest in training and skills development and legislation encouraging this was being considered, "yet departments themselves are not doing the same", she said.

The public service and administration department was unavailable for comment.

Small-scale sugar producers grow

Nicola Jenvey

DURBAN — Small-scale growers in SA would produce more sugarcane than the entire Swaziland sugar industry, generating about R800m of SA's R4,5bn gross turnover for the industry, SA Sugar Association chairman Tony Ardington said at this week's annual general meeting.

The sharp increase in small-scale growers since the drought meant this sector would produce 4,6-million tons of cane for the 1997/98 season — 25% more than last year — and would contribute about 22% of the sugar produced by private growers.

Ardington said the "buoyant" demand for sugar in the Southern African Customs Union (SACU) provided good export opportunities to boost the industry's expect-

ed gross turnover to R4,5bn.

Sugar yields for this year's season were expected to reach 2,53-million tons against 2,26-million tons last year and the industry expected to export 48% (44%) of that amount.

Ardington said SA exported R1,4bn to the rest of the world but from the KwaZulu-Natal and Mpumalanga perspective, the sugar industry also "exported" R2,4bn to the SACU, which included SA, Namibia, Lesotho, Swaziland and Botswana.

He warned that without a sugar protocol being reached by the sugar industries in the 12-member Southern African Development Community (SADC), the industries could destroy each other.

"(Because) of the distorted nature of the world sugar markets there is a fear that the sugar in-

dustries of the SADC could destroy each other in the absence of some sort of protocol governing trade," Ardington said.

The local industry wanted the protocol to include an obligation to export surplus sugar out of the region and to share the growth of the whole SADC market among the sugar producers.

"Our vision is one of steadily increasing sales by SADC producers into the SACU and into the other markets in the SADC," Ardington said. He said this created opportunities for the region's sugar industries to expand into a growing market.

This market was expected to become more attractive as the World Trade Organisation reduced tariff protection of the least efficient sugar industries in the world.

Workers shot at Beacon

René Grawitzky
D 28/7/97

THE three week wage strike by 2 300 Food and Allied Workers Union (Fawu) members at Beacon Sweets in Durban turned violent on Friday when two replacement workers were shot and two others injured on their way to work at Beacon's Modeni factory.

Beacon has condemned the incident and offered a R10 000 reward for any information leading to the arrest of the gunmen. Beacon has been employing replacement labour since the second week of the strike and claimed it was achieving 75% of its normal delivery rate.

Beacon's chairman Arnold Zulman warned that the company could lose R40m worth of export orders which might mean job losses.

The strike centres around Fawu's demand for a 12% across the board increase and a reduction in working hours from 43 and three-quarters a week to 40 hours. Beacon offered a 10% increase which would raise its minimum rate to R583 a week.

Labour Court upholds jobs race ratio

D 28/7/97

(176)

THE Labour Court on Friday found in favour of the department of correctional services' affirmative action policy of a ratio of 70-30 in favour of previously disadvantaged groups, department spokesman Russell Mamabolo said.

The case before Acting Justice Dunstan Mlambo was brought by the Public Servants' Association against Correctional Services Minister Sipo Mzimela, the commissioner of correctional services and the director general of the department of public service and administration.

The association challenged the legitimacy of the department's right to implement an affirmative action employment policy of 70-30 in favour of previously disadvantaged groups.

It further argued that an affirmative action target of 21% women within the 70% for recruitment and employment was unlawfully restricted, and that racial subdivisions aimed at within the 21% were unlawful in SA.

Mamabolo said the court found it was

clear the department had acknowledged that the effects of past discrimination were less severe on white women, but reaffirmed that racial subdivision — as set out in the department's policy — aimed to achieve broad representivity and conformed with the constitution.

Judge Mlambo ruled that the department's affirmative action policy was a properly constructed policy that had evolved in a transparent and inclusive manner and therefore complied with SA's constitutional requisites.

Policy ratified

Furthermore, the particular situation seemed to involve an area where courts should be reluctant to interfere.

"Finally it falls to be observed that the department's policy was ratified in the departmental chamber in December last year and approved by the department of public service and administration in May this year.

"In my view the department's policy became a collective agreement for the department," the judge said.

In reaction to the ruling, SIE Korabie, the department's deputy commissioner, said it was unacceptable that there were parties and individuals within the department who were not prepared to tackle transformation.

He said that while some parties created the image of support, in reality they were doing everything possible to "sabotage and undermine" the process.

The department would reach its target in favour of previously disadvantaged groups two years ahead of schedule, and the 70-30 principle goal would be reached by April next year.

"It is realised that the pace with which transformation is taking place within the department was too quick for certain parties," Korabie appealed to them to "accept and support the inevitable process".

All transformation would take place within the ambit of the Labour Relations Act and the constitution, he said. — Sapa.

Truth body faces deadline fracas

Myndham Hartley

CAPE TOWN — Government's failure to amend the constitution to legalise the new cutoff date for those political offences that qualify for amnesty will mean that the truth commission's amnesty committee will still be taking applications a scant two months before it is supposed to complete its work.

The problem has arisen from Con-

ment to the constitution was only tabled in the National Assembly in the middle of last month.

Truth commission spokesman John Allen said acting chairman Alex Boraine had indicated that once the new cutoff date for offences had been amended in the constitution, the commission would allow an additional month before closing applications.

Although the

Holomisa to be at KwaZulu-N

Farouk Chothia

DURBAN — National Consultative Forum co-ordinator Bantu Holomisa would attend a meeting of the forum's KwaZulu-Natal executive committee tomorrow to discuss ways to end violence in Richmond, provincial secretary Jabulani Zondi said yesterday.

The African National Congress (ANC) was damaging relations with

600 less than ANC. The committee called ANC members to meet in KwaZulu-Natal.

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Ruling 'a setback for women'

BO 29/7/97 (176) (253)

David Greybe

CAPE TOWN — Women working in the correctional services department had suffered a setback as a result of a labour court ruling on the department's affirmative action policy, the Public Servants' Association warned yesterday.

The association was reacting to a ruling last Friday on its application challenging a collective agreement on affirmative action appointments. The agreement, to which the association is not party, provided for 21% of 70% of posts reserved for previously disadvantaged groups to be filled by women by the year 2000. The association said this violated the constitution by making insufficient provision for women.

The court found that the department's affirmative action policy had evolved in a transparent and inclusive manner and therefore complied with constitutional requirements.

Association GM Casper van Rens-

burg said the association was not opposed to the department's affirmative action policy — it was a signatory to the overall affirmative action agreement — but opposed the application when it came to women.

Women represented the majority of the population, and were "severely underrepresented" in the department. They could fill more posts in certain specialised occupational classes and middle and higher management.

Under the agreement, 15% of the 21% target for women would be filled by black women, 3% by white women, 2% by coloured women and 1% by Asian women. The remaining 49% of the 70% would be filled by men.

The department and unions agreed on a policy under which 70% of employees would come from previously disadvantaged groups, and the remaining 30% would be white men. The agreements had to be implemented by 2000. However, the department has since revised the target date to April next year.

Fewer black law students wi

The last of this four-part series on the racial question in the US looks at minor

By Rich Mkhondo
Washington Bureau

The University of Texas, which has produced a large share of the United States' minority law graduates, accepted about 65 black students in 1996, but only 11 this year. They opted to go elsewhere, some because of the stories of declining minority enrolment.

Only one of the 14 black students admitted this year to University of California Berkeley's Boalt Hall School of Law decided to enroll.

"This dramatic decline is precisely what we feared would result from the elimination of affirmative action," said Herma Hill Kay, dean of the law school.

"This decision cannot

help but reinforce (to other states) that this is a fight worth pursuing," added Ward Connerly, who is regent of the University of California.

The California Civil Rights Initiative (CRI), a ballot initiative which was endorsed by voters last November, ended all state programmes granting preference to women, black and Hispanic minorities. The initiative was America's most visible and controversial attempt to reverse affirmative action.

The CRI, also called Proposition 209, fought to end discrimination against individuals because of race, ethnicity or sex.

It did not aim to end affirmative action in the sense of creating and ensuring equal opportu-

nity, but rather as a means to end preferential treatment of any groups.

Connerly, who is also CRI's chairman, and many proponents of affirmative action, argued for equal protection of the law.

At first the state court rejected the argument, but the federal court banned preferential treatment or quotas.

Among other things, Proposition 209 prevents any official being required to give preference based on race or sex in hiring or promoting people for admission to universities like Berkeley, or providing services such as tutoring or counselling.

Most of the United States is governed by a



Supreme Court decision which forbids quotas but permits schools to consider race admissions. However, Texas and California have eliminated any consideration of race, each for its own reasons.

In Texas, the change came as a result of a fed-

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The launch of anti-affirmative plan

Star 29/8/97

(176)

Priority admissions into US universities and the effect of Proposition 209

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... come the criteria for all who enrol for admission. The decline in minority admission has been astounding. In California medical schools, applications from black students have dropped by a quarter and from Latino students by a third over the past two years.

Both supporters and foes of affirmative action have long argued that the imposition of race-blind university admission policies would alter the look of American campuses.

A few months after Connerly's victory, the first evidence, the University of California Berkeley figures, are in - and the results are even more dramatic than many predicted.

"We never had any

doubts that on the merits of the issue we were right and preferences were wrong," said Connerly, who is black and has begun a national organisation to help other states follow his lead.

Several states, such as Michigan, Oregon and Georgia, Washington, Florida, Texas and Ohio are considering launching similar anti-affirmative action measures.

Aside from being unfair, Connerly said university admission policies in California in the long run only hurt the minorities they were supposed to help.

"It's not healthy for blacks to be perceived as a permanent underclass. If they begin to believe they can't make it without affirmative action, they can learn to get by

without working as hard as their talents allow."

Mark Rosenbaum of the American Civil Liberties Union of Southern California and a 209 critic said: "This is what a Proposition 209 world is going to look like - a legal profession with virtually no representation from the African-American, Latino and native American communities."

Across the country, the affirmative action debate which began in the 1960s, is far from settled. President Bill Clinton has said he had been alarmed by the California and Texas figures and expressed interest in finding ways to avoid a "slippery slope" on affirmative action that would cause minorities to lose ground economically.

The president, who last December directed the justice department to join opponents fighting the ballot measure, said: "... I think we'll all have to regroup and find new ways to achieve the same objective ... But my formulation of 'Mend it don't end it', I still think is the best thing for America."

The underlying issue is whether race or gender-conscious remedies should be used in an effort to prevent discrimination and correct the long standing inequities women and minorities

such as blacks and Hispanics suffered as disenfranchised members of the United States citizenry.

This type of affirmative action has become so divisive that, although the Democratic Party and Clinton's administration support race and gender preferences, they are unable to reach a clear consensus on the mechanism of implementation. In his cam-

against women and racial minorities continue to breed inequality and close doors of opportunity.

Some Americans say the racially charged rhetoric of "quotas" and "reverse discrimination" used by their leaders has been eroding the national will to open those doors.

Outside the debate, employment discrimination cases are surging into the federal courts in record numbers.

In 1996, American workers brought more than 23 000 lawsuits alleging race, sex, disability or age discrimination to federal courts, more than double the 10 771 that were brought in 1992, according to the US Courts' administrative office.

In the past four years job discrimination lawsuits have been rising at least 20% a year.

Now the numbers, including those at the two universities, are intensifying the debate over the movement to roll back race and gender-based preferences nationwide.

Declining black and Latino enrolment at the universities of California and Texas raises fears that the universities in these ethnically diverse states could one day become, entirely white. - Star Foreign Service

Admission policies hurt the minorities

...paign for re-election, President Clinton gave a lukewarm endorsement to affirmative action: "Mend it, don't end it."

For the opposition Republicans, the issue does not lend itself to easy sound-bites. An effort to end "preferences" and "set-asides" could be characterised by the other side as an attempt to roll back opportunities for minorities and women.

Republicans hope to attract more minorities and do not want to appear insensitive.

As the divide widens within the American public, blatant discrimination and subtle bias

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176

It pays to go to Malmesbury jail

Contractor strains to meet affirmative action targets in State construction

Government's affirmative procurement policy has notched up its first success with the construction of the new Malmesbury Prison. But demanding black empowerment targets have taxed private contractor Armac's resourcefulness to the limit.

At R173m, Armac's was the lowest tender for the Public Works Department's first affirmative procurement project.

The policy aims to involve "affirmable business enterprises" (ABEs) — small, medium and micro enterprises owned and controlled by previously disadvantaged people — in large government contracts alongside established firms.

It sets a 10% minimum participation target for ABEs. Armac's target is to achieve 38,5% — about R58m, excluding Vat.

Armac is a joint venture between Basil Read, Amsa and Atlantis Districts United Contractors (ADUC), a consortium of emerging businesses from the Atlantis area

40 CURRENT AFFAIRS

in the Western Cape.

Project manager Christophe Calmel says Armac fears the department may invoke harsh penalty clauses in the contract unless it hits the 38,5% target bull's-eye. With the completion deadline looming on August 12, Armac is stretched to the utmost to meet the target.

It has used 107 ABEs, including professional services, subcontractors and suppliers, with most of its own labour coming from the local community.

Meeting the "demanding" target has been made all the more difficult because of time constraints. Because of prison overcrowding, the construction time set for the prison for 1 000 inmates was a mere 11 months. This forced Armac to assist subcontractors in the daily management of their trades.

The basic construction expertise

exists, says Calmel, but ABEs generally lack managerial skills. These were supplemented by free night classes on site, enhancing ABEs' chances of obtaining future contracts and financing.

For example, an ABE brick supplier whose credit limit was extended fourfold by a large brick manufacturer during the project has been earmarked by Saldanha developers for future supplies.

Over 200 people, including many not

employed on the project, are said to have benefited from the free training.

Armac also assisted in providing bridging finance to subcontractors with inadequate cash flows and mediated between ABE suppliers and large manufacturers who were initially reluctant to give them the necessary credit facilities.

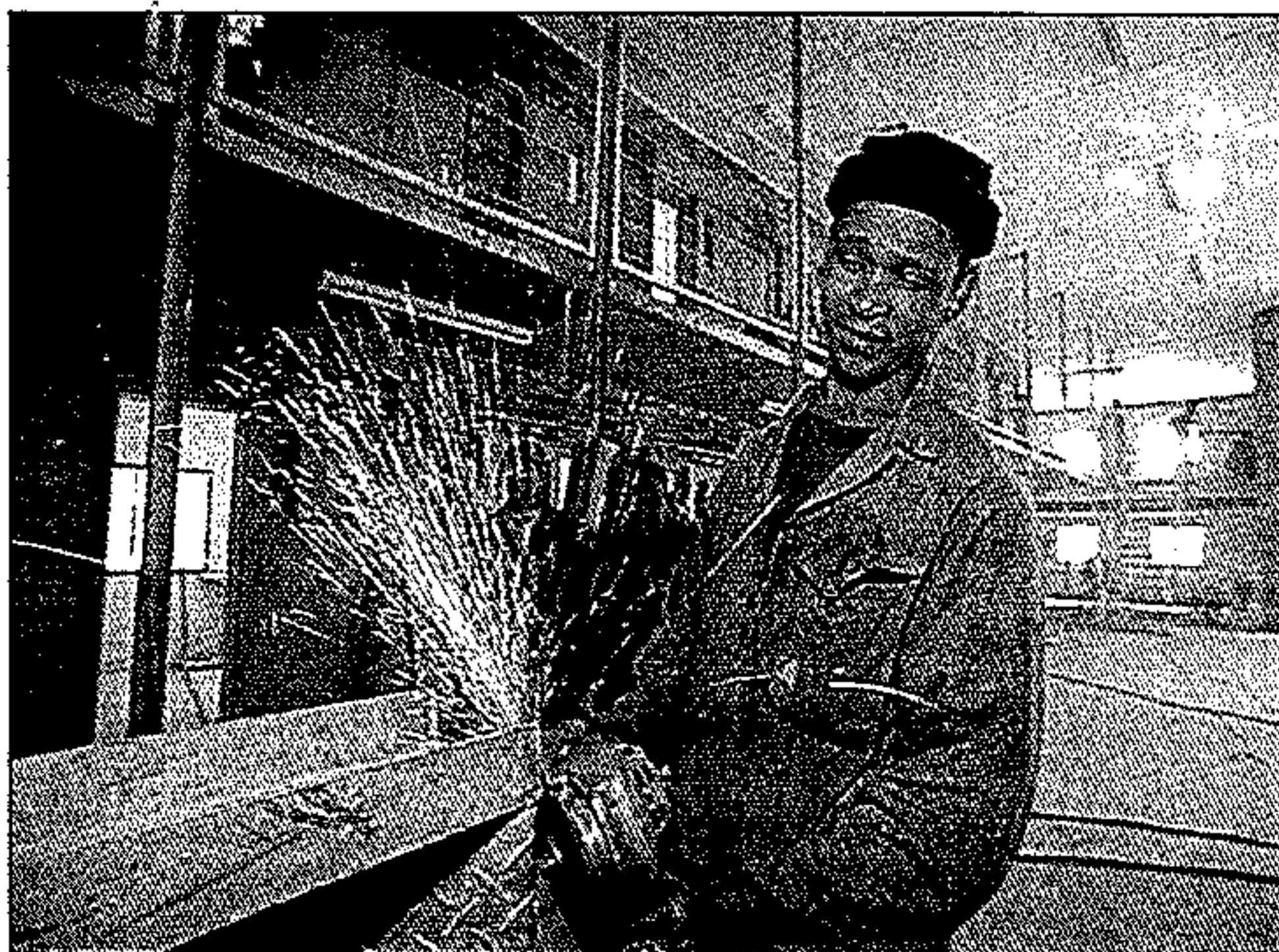
Armac has not considered the extra costs of meeting the affirmative action requirements. But Calmel says the biggest cost factor has been the time spent supervising ABEs' work.

The department has hired a consultant to review the policy to take account of some of the lessons learnt. One of Calmel's chief concerns is that the contract provides no protection to the chief contractor from ABEs who could club together and charge exorbitant rates. But Armac would do it again.

"I think it is the only way to work in SA," says Calmel. "ABEs must become involved in major contracts or they will never acquire the skills and experience to be able to tender for big jobs."

At the official launch of the prison in April, Public Works Minister Jeff Radebe said nearly 360 construction contracts had been awarded to ABEs in the preceding eight months.

Claire Bissek



Affirmative sparks . . . a worker at Malmesbury Prison

Steady progress in affirmative management

Lynda Loxton

ALTHOUGH black advancement still seriously lags behind what government would like to see in most companies, progress is being made in a select group of companies that have taken up the challenge seriously. There is concern, however, that this could be hampered by downsizing in the private sector.

According to the University of Cape Town Graduate School of Business' *Breakwater Monitor*, black managers could make up 32% of all managers in the top 15 companies with black advancement firmly on their agenda by 1998, increasing to 52% by the year 2000.

"The assumption made is that the management pool will continue to grow at 6% for every two-year period and that the number of white managers will be substantially reduced,"

states the school's latest newsletter. Established in 1991, the *Breakwater Monitor* project tracks affirmative action trends in major South African companies. Clear patterns are now emerging in its research.

"In many cases, these trends reflect a positive rate of change in South African organisations," it said. "These benchmarks will be difficult for less committed and less resourceful organisations to follow."

It identified the fastest movers in the field as companies in the consumer goods sector, financial services, general retail and trade, commercialised public corporations and some multinationals. Most were fairly large employers and more progressive than many other companies.

As a result, they probably did not reflect the overall national situation, where it was unlikely that more than 1% of managers was black. This was because, particularly with the top 15,

they had made an early start to black advancement, concentrated on more highly skilled levels but were changing staffing policies throughout their structures.

"Changing the overall skills capacity of the South African workforce remains, however, a major challenge and will require most organisations to develop a more coherent strategy and a positive approach to education and training," the article said.

"A disturbing labour market trend, which has a direct bearing on the private sector's labour absorption ability, is restructuring, which has led to a net downsizing of 1.14%.

"Nonetheless, a positive finding is that African people make up 16% of

managers in leading companies, 6% up on 18 months ago. Women in management have increased by an average of only 1%. African managers now make up to 70.7% of all new management recruits compared with 20.3% in 1994.

"The national [management] recruitment average is now about 42%. The study shows that aggressive recruiting has also coincided with increased levels of promotion.

At the top end, 42% of all management promotions are now African, compared with a national average of

The group said affirmative action appeared to be more successful in organisations that combined external recruitment with internal devel-

opment, advancement and the involvement of employees.

"This process is considered important to both improve productivity and create role models who are able to influence decisions and the institutional culture of the organisation at a senior level.

"A reliable system of information reporting is vital, especially for setting targets, executive reporting and evaluating employment equity performance."

During a two-year study between 1994 and 1996 covering 667 661 employees in 64 companies, the *Breakwater Monitor* found that:

- White employees totalled 39% and 60% were black;
- Women made up 25%, of which only 39% were black;
- Black employees increased by 1.05% and black women employees by 15.42%;
- White employees declined by 3.74% with the number of white women falling by 4.57%; and
- White managers accounted for 89.6% of top management posts.

M+G (Pom) 1-7/8/97 (176)

Affirmative action has little impact on women - report

90% of managers white

ARG 5/8/97

ALIDE DASNOIS
BUSINESS EDITOR

Affirmative action is working better for black people than for women, a study by the University of Cape Town's Graduate School of Business shows.

The Breakwater Monitor study of 64 companies shows that the number of black - African, coloured and Asian - people in management positions climbed 60% between 1994 and 1996, while the number of women managers, black and white, climbed only 21%.

In the top 15 companies surveyed, the number of black managers rose 68%.

Commenting on the results in the latest issue of the Graduate School of Business magazine *Perspectives*, researchers Angus Bowmaker-Falconer, Frank Horwitz, Harish Jain and Simon Taggar found that white managers still account for nearly 90% of all managers in the sample.

They warn that the figures may be biased towards "progressive" companies because the 64 companies which participate do so voluntarily.

The national norm for black managers may be much lower, they say - possibly as low as 1%.

At current rates of progress, assuming the number of managers grows by 6% every two years, blacks will still make up only 32% of managers by 1998 in the top 15 companies, and just over half of all man-

agers by the year 2000.

But, say the researchers, there are signs of progress. More than 70% of all new management recruits in the top companies today are African, compared to just over 20% two years ago, and 42% of all management promotions are African.

Though Africans make up only 16% of managers in leading companies, the number has risen 6% in 18 months.

However, the number of women in management, even in leading companies, has risen by only 1% over the same period.

"Certain organisations have clearly taken up the challenge of transformation in a rigorous way, with changed organisational structures upskilling the workforce.

"The approach taken in more successful organisations includes external recruitment coupled with internal development, advancement and involvement of employees in the process."

The researchers say the leading companies in the sample of 64 included those in the fast-moving consumer goods, general retail or financial services sectors, multinationals and commercialised public corporations.

A disturbing trend in the labour market, they find, is restructuring which has led to a net loss of 9 600 jobs in the sample of 843 011 jobs - just over 1% - over two years. Job loss was greater among the top companies, which shed more than 3% of jobs over the period.

Bill opens way to enforce affirmative action policy

CLIVE SAWYER
POLITICAL CORRESPONDENT

(176)

AKG 6/8/97

A parliamentary committee has approved revamped legislation on the public service to clear the way for a firm policy of affirmative action.

The portfolio committee on the public service yesterday approved a redrafted version of the Public Service Laws Amendment Bill, including an "affirmative action clause" which could negate the effect of a recent Johannesburg High Court judgment against affirmative action in the Department of Justice.

The clause requires that appointments in the public service must aim to achieve equality and constitutional goals of a broadly representative public service.

It stipulates that assessment of applicants must be based on training, skills, competence, potential, knowledge and the need to redress imbalances of the past.

Criteria for ensuring the public service is broadly representative are to include race, gender and disability.

State law advisers, who expressed reservations about the constitutionality of earlier drafts, said it was probable that the new version would be acceptable.

Marcus raps employers over affirmative action

'It's not about jobs for incompetents'

THABO MABASO
BUSINESS REPORTER

Deputy Finance Minister Gill Marcus has hit out at companies and government departments which view the implementation of affirmative action as employment of incompetent individuals.

Ms Marcus yesterday told the official launch of Oasis Asset Management, a company partly owned by black businessmen, that it was unfortunate that some people had this approach to affirmative action.

"Affirmative action is not just about having women and black people at all levels of government and business," Ms Marcus said.

The concept was meant to promote competent individuals from disadvantaged backgrounds who, because of

their gender or colour, had been overlooked for senior appointments, she said.

People who promoted incompetent individuals forgot that "we do have women and black people who are competent".

The challenge to every company and government department was to recognise that people's skills were the country's future.

Ms Marcus told the audience at the launch that the nature of the South African economy dictated that it embrace the challenges of globalisation, Sapa reports.

"We also need to eliminate the gaps in regulation and ensure domestic regulation meets international standards."

Ms Marcus said this required taking a long-term strategic approach to

the regulatory framework, and the need for both functional and institutional regulation for corporate and financial institutions.

A number of reforms had already taken place, including the implementation of a system which would shift the risk of marketing government bonds away from the Reserve Bank.

Interaction with market participants had been initiated with a view to appointing a panel of primary dealers in government bonds, she said.

Once they had been appointed, a stronger focus would be placed on marketing rand-denominated instruments in international financial markets. "This will have the benefit of attracting much-needed foreign capital and also contribute to liquidity in domestic government debt instruments," she said.

(176)
ARG 7/8/97

THE BIG STORY

Varsities' affirmative

Measures mean some US

ACROSS THE UNITED STATES, THE AFFIRMATIVE ACTION DEBATE, WHICH BEGAN IN THE SIXTIES, IS FAR FROM OVER. AS PART OF AN OCCASIONAL SERIES ON RACE RELATIONS IN AMERICA, RICH MKHONDO LOOKS AT AN ISSUE WHICH HAS DIVIDED THE COUNTRY ALONG RACE, CLASS AND GENDER LINES

With mock sadness, officials of two of the United States' leading law schools recently announced that their admission rates for blacks and Hispanics had plummeted.

The University of Texas, which has produced a large share of minority law graduates, accepted about 65 black students in 1996, but only 11 this year. All of them opted to go elsewhere, some because of the stories of declining minority enrolment.

Only one of the 14 black students admitted this year to the University of California Boalt Hall School of Law at Berkeley has decided to enrol.

"This dramatic decline is precisely what we feared would result from the elimination of affirmative action," said Hermia Hill Kay, dean of the Berkeley law school.

Ward Connerly, regent of the University of California, added: "This decision cannot help but reinforce (to other states) that this is a fight worth pursuing."

The California Civil Rights Initiative (CRI), a ballot which was endorsed by voters last November, ended all state programmes granting preferences to women and the black and Hispanic minorities. The initiative was America's most visible and controversial attempt to reverse affirmative action.

The CRI, also called Proposition 209, fought to end discrimination against individuals because of race, ethnicity or sex. It did not aim to end affirmative action in the sense of creating and ensuring equal opportunity, but was rather a means to end preferential treatment of any groups.

Mr Connerly, who is also CRI's chairman, and many proponents of affirmative action argued for equal protection of the law. At first, the state court rejected the argument, but the federal court banned preferential treatment or quotas.

Now, among other things, Proposition 209 prevents any official being required to give preference based on race or sex in hiring or promoting people, to admission to universities like Berkeley or providing services such as tutoring or counselling.

Most of the US is governed by a Supreme Court decision which forbids quotas but permits schools to consider race admissions. However, Texas and Cal-

ent races. In California, the development results from the November 1996 ballot initiative that altered admissions policies.

Because they nearly always came from schools inferior to those of whites, black and Hispanic applicants were frequently admitted to universities on lower entrance test scores. These scores were in any event considered to be only one indicator among many and students were often found to excel in spite of them.

But under the Texas and California plans, race has been eliminated and the test scores have again become the criteria for all who enroll for admission.

The decline in minority admission has been astounding.

In California medical schools, applications from black students have dropped by a quarter and from Hispanic students by a third over the last two years.

Supporters and foes of affirmative action have long argued that the imposition of race-blind university admission policies would alter the look of American campuses.

A few months after Mr Connerly's victory, the first evidence, the University of California Berkeley figures, are in, and the results are even more dramatic than many predicted.

"We never had any doubts that on the merits of the issue we were right and preferences were wrong," said Mr Connerly, who is black and has begun a national organisation to help other states follow his lead.

Several states are considering launching similar anti-affirmative action measures.

Apart from being unfair, Mr Connerly said in an interview that university admission policies in California in the long run only hurt the minorities they were supposed to help.

"It's not healthy for blacks to be perceived as a permanent underclass. If they begin to believe they can't make it without affirmative action, they can learn to get by without working as hard as their talents allow."

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affirmative action takes a dive

universities may become entirely white

(176) ARG 8/8/99

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Now the numbers, including those at the California and Texas universities, are intensifying the debate over the movement to roll back race- and gender-based preferences nationwide.

Declining black and Hispanic enrolment at the universities of California and Texas raises fears that the universities in these ethnically diverse states could one day become entirely white.

Fearing rejection, many black and Hispanic students have decided not to apply at all. In addition, educators foresee a new minority "brain drain" as outstanding students who do win acceptance opt for rival states, driven away by fears of racial isolation.

This endangers the social coherence of both universities.

In both Texas and California, it is becoming clear that minority students are being systematically disadvantaged by abysmal and segregated public schools. If universities do not take disadvantage into account, many minority students will face the prospect of resegregation in higher education.

All of this comes as no surprise to conservatives as well as liberals.

The former have said all along that preferences were being used on a gross scale and that preferences are being used to disguise the real problem that blacks students, in particular, are disproportionately unprepared to compete for slots at America's top schools.

The affirmative action debate has divided America along race, class and gender lines.

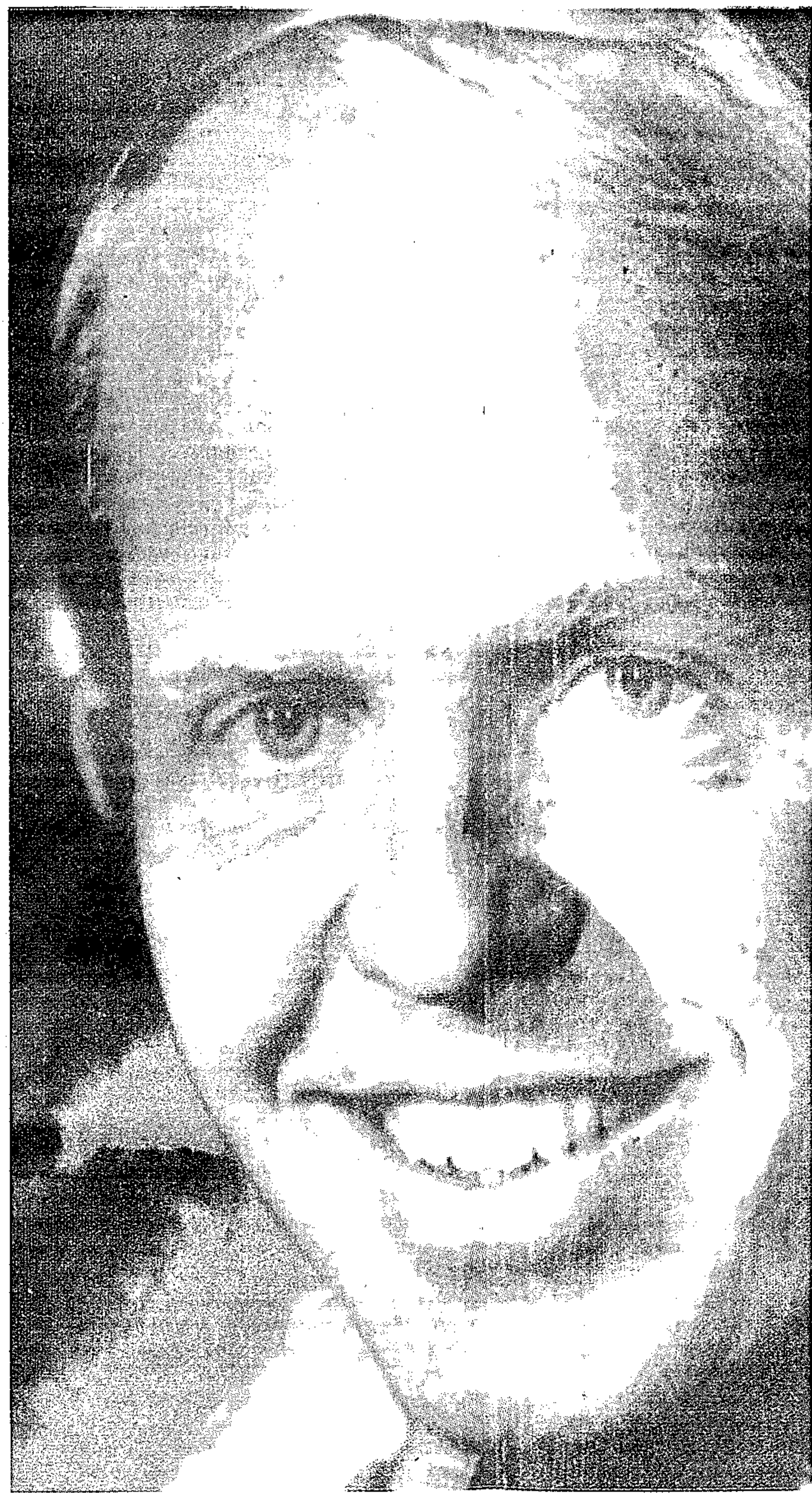
Black and white opponents of race-conscious goals and timetables in hiring plans maintain that such goals inevitably degenerate into strict hiring quotas that discriminate against non-minorities.

Some of them remind Americans of the great humanitarian and democratic goals of the civil rights movement and how they have become distorted in a tangle of preferential treatments and obsessions with "goals".

Black and white supporters of affirmative action are less suspicious of goals and timetables.

They maintain they don't necessarily break down into rigid quotas and are sometimes useful in helping correct past discrimination.

Civil rights leaders say that eliminating goals and timetables from affirmative-action programmes would leave these programmes toothless and ineffective.



Challenger: in 1978 Allan Bakke became the first white American to challenge affirmative action in the United States Supreme Court

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The underlying issue is whether race- or gender-conscious remedies should be used in an effort to prevent discrimination and correct the long-standing inequities women and minorities such as blacks and Hispanics suffered as disenfranchised members of US society.

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In his campaign for re-election, Mr Clinton gave a lukewarm endorsement to affirmative action: "Mend it, don't end it."

For the opposition Republicans, the issue does not lend itself to easy sound-bites.

An effort to end "preferences" and "set-asides" could be characterised by the other side as an attempt to roll back opportunities for minorities and women.

Republicans hope to attract more minorities and do not want to appear insensitive.

As the divide widens within the American public, blatant discrimination and subtle bias against women and racial

Overcoming racism (176)

TO CULTIVATE A DREAM

14/8/97

CYNTHIA VONGAI
CAPE TIMES

A DREAM born of a Mills and Boon novel became a reality for 25-year-old Ms Carmen Stevens.

Stevens, the first black woman winemaker in a white-male dominated industry, says she had to overcome snide and sometimes racist remarks before she qualified.

She now works as an assistant winemaker at Stellenbosch Farmers' Winery (SFW). **8 AUG 1997**

Stevens comes from Kraaifontein, near Stellenbosch, and studied oenology (winemaking) at Elsenburg Agricultural College before she was offered a trainee winemaker's position at SFW.

Stevens was promoted this year to her current position.

"My dream was to become a good winemaker with a reputation for making good wines and I was not going to let anything or anyone get in the way of that.

"Qualifying was hard, but I was never despondent. I had come too far to turn back. Too much effort had gone into my correspondence studies to just give up.

"I remember the first couple of days that I was at Elsenburg, a white guy came up to me and said, 'you are not capable of holding an Elsenburg diploma'.

"I just ignored him because I knew my capabilities. He did not know that I had already done a diploma in agriculture so I thought to myself, the joke was on him."

She graduated from Elsenburg in 1995 after completing a two-year agricultural diploma and a winemaking diploma.

To get into Elsenburg Agricultural College she had first completed a one-year diploma in agriculture by correspondence.

Stevens adds: "I really hate people who ask me what I am doing in wine. In most cases they don't believe that I, a woman, can be a winemaker. Why is it so unbelievable that someone from a different

race can be interested in winemaking and not only in drinking it?"

Winemaking had been her passion in life since Std 9 when she had read a Mills and Boon love story set on a wine estate. After that she began reading anything she could find on winemaking and after matric approached Elsenburg Agricultural College.

She was told that a love for wine was not enough and that she would need some agricultural knowledge as well.

So she began the one-year correspondence course in agriculture and passed with good grades. She was accepted at Elsenburg a year later and has not looked back.

"A colleague once told me that there were only about 10 women working in winemaking because most women opt to do research work.

"The work I do is very labour intensive which seems to deter women from winemaking, but I quite enjoy the work — especially harvest-time when we start making the wines for the next season.

"I am still only working with white wines but I hope also to do red wines. I find them challenging.

"When I went into the industry I was quite surprised that there were no black winemakers but I guess most people who did want to go into winemaking were not given the opportunity to.

"Elsenburg only started admitting blacks in the 90s. I therefore don't think that it is due to lack of ability that there aren't that many black winemakers in this country," Stevens said.

After extensive overseas travel, to the winemaking regions of France, Italy, Switzerland and Germany, Stevens says she is encouraged to excel in her field because of the dynamic women she met during her travels who occupied high positions in the industry.

"Being a woman is not an excuse to not achieve success, the women in the industry that I have met have proved this. I, like them, would like one day to be responsible for making my own wine — not necessarily my own label, but the recognition of being a good cellar-master — that's my goal.

"When I started work here everyone was fascinated that a woman could be a winemaker and most of my colleagues have accepted that I can do my job. I have been very well accepted in the industry and I am learning so much from being here."

Fawu, SAB fail to agree over wage demand

THABO MARASO
BUSINESS REPORTER

Last ditch attempts to resolve a long-standing wage dispute between the **Fwd and Allied Workers' Union (Fawu)** and **South African Breweries (SAB)** have failed, Fawu says.

The union's national negotiator, Victor Nzuza, said SAB had refused to move on its original wage offer. Fawu had indicated during negotiations with the beer-brewing giant that it was prepared to move on its original demands. **14 AUG 1997**

"We revised our offer but they refused and said their offer was final," Mr Nzuza said.

CITY LATE

Fawu's demands included a 13% wage increase, the scrapping of performance related pay, which the union alleged was biased towards its members, a housing subsidy and the introduction of a 40-hour working week.

Mr Nzuza said the union's revised demands were a 11.5% wage increase, a willingness to discuss proposals on the performance related pay and that the housing subsidy be funded by SAB.

The union was currently consulting its members on possible action. Last month, the majority of Fawu members working for SAB's beer division voted in favour of strike action.

SAB was not available for comment.

ACHIEVER: Carmen Stevens says she had to overcome snide and sometimes racist remarks to qualify as a winemaker.

PICTURE: GARTH STEAD

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CYNTHIA VONDAI
CAPE TIMES

A DREAM born of a Mills and Boon novel became a reality for 25-year-old Ms Carmen Stevens.

Stevens, the first black woman winemaker in a white-male dominated industry, says she had to overcome snide and sometimes racist remarks before she qualified.

She now works as an assistant winemaker at Stellenbosch Farmers' Winery (SFW). **14 AUG 1997**

Stevens comes from Kraaifontein, near Stellenbosch, and studied oenology (winemaking) at Elsenburg Agricultural College before she was offered a trainee winemaker's position at SFW.

Stevens was promoted this year to her current position.

"My dream was to become a good winemaker with a reputation for making good wines and I was not going to let anything or anyone get in the way of that.

"Qualifying was hard, but I was never despondent. I had come too far to turn back. Too much effort had gone into my correspondence studies to just give up.

"I remember the first couple of days that I was at Elsenburg, a white guy came up to me and said, 'you are not capable of holding an Elsenburg diploma'.

"I just ignored him because I knew my capabilities. He did not know that I had already done a diploma in agriculture so I thought to myself, the joke was on him."

She graduated from Elsenburg in 1995 after completing a two-year agricultural diploma and a winemaking diploma.

To get into Elsenburg Agricultural College she had first completed a one-year diploma in agriculture by correspondence.

Stevens adds: "I really hate people who ask me what I am doing in wine. In most cases they don't believe that I, a woman, can be a winemaker. Why is it so unbelievable that someone from a different

race can be interested in winemaking and not only in drinking it?"

Winemaking had been her passion in life since Std 9 when she had read a Mills and Boon love story set on a wine estate. After that she began reading anything she could find on winemaking and after matric approached Elsenburg Agricultural College.

She was told that a love for wine was not enough and that she would need some agricultural knowledge as well.

So she began the one-year correspondence course in agriculture and passed with good grades. She was accepted at Elsenburg a year later and has not looked back.

"A colleague once told me that there were only about 10 women working in winemaking because most women opt to do research work.

"The work I do is very labour intensive which seems to deter women from winemaking, but I quite enjoy the work — especially harvest-time when we start making the wines for the next season.

"I am still only working with white wines but I hope also to do red wines. I find them challenging.

"When I went into the industry I was quite surprised that there were no black winemakers but I guess most people who did want to go into winemaking were not given the opportunity to.

"Elsenburg only started admitting blacks in the 90s. I therefore don't think that it is due to lack of ability that there aren't that many black winemakers in this country," Stevens said.

After extensive overseas travel to the winemaking regions of France, Italy, Switzerland and Germany, Stevens says she is encouraged to excel in her field because of the dynamic women she met during her travels who occupied high positions in the industry.

"Being a woman is not an excuse to not achieve success, the women in the industry that I have met have proved this. I, like them, would like one day to be responsible for making my own wine — not necessarily my own label, but the recognition of being a good cellar-master — that's my goal.

"When I started work here everyone was fascinated that a woman could be a winemaker and most of my colleagues have accepted that I can do my job. I have been very well accepted in the industry and I am learning so much from being here."

Fawu, SAB fail to agree over wage demand

THABO MABASO
BUSINESS REPORTER

Last ditch attempts to resolve a long-standing wage dispute between the Food and Allied Workers' Union (Fawu) and South African Breweries (SAB) have failed, Fawu says.

The union's national negotiator, Victor Nzuza, said SAB had refused to move on its original wage offer. Fawu had indicated during negotiations with the beer-brewing giant that it was prepared to move on its original demands. **14 AUG 1997**

"We revised our offer but they refused and said their offer was final," Mr Nzuza said.

CITY LATE

Fawu's demands included a 13% wage increase, the scrapping of performance related pay, which the union alleged was biased towards its members, a housing subsidy and the introduction of a 40-hour working week.

Mr Nzuza said the union's revised demands were a 11.5% wage increase, a willingness to discuss proposals on the performance related pay and that the housing subsidy be funded by SAB.

The union was currently consulting its members on possible action. Last month, the majority of Fawu members working for SAB's beer division voted in favour of strike action.

SAB was not available for comment.

ACHIEVER: Carmen Stevens says she had to overcome snide and sometimes racist remarks to qualify as a winemaker.

PICTURE: GARRY STEAD

'Corrective action' needed — Asmal

Louise Cook

BD 18/8/97

(176)

WATER Affairs and Forestry Minister Kadar Asmal told a commission probing restructuring in the public service that he was personally responsible for his department avoiding the phrase "affirmative action".

Asmal said he would continue with his approach unless he was overruled by the commission.

He told the presidential review commission in Pretoria on Friday he supported the autonomy of government departments only as far as such autonomy did not become "tyrannical".

There was still a need for central government intervention in provincial and local government affairs in SA until genuine empowerment had been established, he said.

In answer to a question from commissioner Lot Ndlovu, Asmal said "affirmative action" referred only to jobs in the US and was not sufficiently comprehensive to properly address imbalances of the past in the country.

"We need to create our own solutions; the term corrective action has a larger dimension than affirmative action and does more to bring about peace in SA," Asmal said.

Hawkers' trading forum proposed to stop clashes

BD 18/8/97

Nomavenda Mathiane

THE only way to put an end to clashes between SA hawkers and foreign traders in Johannesburg's city centre was for the metropolitan council to speed up the establishment of a hawkers' trading forum, African Council of Hawkers and Informal Businesses president Lawrence Mavundla said at the weekend.

Reacting to last week's events when hawkers attacked street traders in and around downtown Johannesburg, claiming that they had no right to sell in the city streets, Mavundla said the answer to the problem would be to have a register of street traders which would enable law enforcement to be able to monitor the industry.

Although all major streets in town were affected by the violence, Jeppe, Bree and Eloff streets were the ones that suffered most from the attacks.

In Bree Street, staff of Lords Outfitters — one of the oldest shops in the city that has been operating for the past 50 years — said they were not affected by the outbreak of violence "as the whole thing was happening on the streets and pavements". However they had a full-time security man at the door of the shop. They said they would be moving out of town soon.

Opposite Lords, the manager at Davison's Designer Wear — Hitesh

Oka — said although his shop was not vandalised, last weeks' incident did have a negative effect on his business.

This argument was also advanced by his neighbour, who runs a radio shop and has a staff of eight people. He said although he did not condone violence, he could understand why hawkers had taken the law into their hands to solve a problem.

He said he did not feel safe trading in the city centre — however, he did not have any alternative but to remain in Johannesburg!

Hawker Phillip Nkosi said he was attacked by a mob on Wednesday who took 18 hats from his stand and robbed him of R50.

His neighbour, Cynthia Shezi from Transkei, said she had been trading on the pavements since 1991 and doing good business until foreigners came in. She said attempts to rid Johannesburg of illegal traders would continue.

Sapa reports that Gauteng safety and security MEC Jessie Duarte and the hawkers' provincial leadership last Friday condemned looting and destruction of property committed during the protest action in Johannesburg on Wednesday and Thursday.

Hawkers' organisations said they distanced themselves from those actions, and said they committed themselves to working closely with government in trying to develop the sector.

SA 'sick' for 'scandalising' AIDS research

Louise Cook

BD 18/8/97
HEALTH Minister Nkosazana Zuma described SA as "a sick country" for portraying efforts to discover a drug to control AIDS, as a scandal.

Zuma told the presidential review commission on Friday that despite the outcry, she still supported Virodene research even if it did not produce a cure.

In the fourth round of commission hearings on transformation in the public service, Zuma admitted that her department was not coping with the problem of AIDS and said government needed to have a co-ordinated strategy to deal with the problem.

"In the year 2006, an estimated 3-million people in the country will suffer from the disease — creative ways are necessary to change people's behaviour." Zuma reaffirmed her support of the Sarafina AIDS play, saying it was a useful way of getting the message through to the youth.

In answer to a question on incentives for doctors to serve in rural areas, she said it cost R600 000 a year for a medical student's training, saying this should be seen as an incentive.

The other option was to expect doctors who are not prepared to do service in rural areas, to pay the cost of their studies without a state subsidy.

"People should heed President Mandela's call to be patriotic and to serve their country without expecting additional rewards," Zuma said.

'Corrective action' needed — Asmal

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"We need to create our own solutions; the term corrective action has a larger dimension than affirmative action and does more to bring about peace in SA," Asmal said.

Affirmative (176)

action bid sets off new battle

AAG 22/8/97

POLITICAL CORRESPONDENT

Public Service Minister Zola Skweyiya is confident new legislation, clearing the way for firmer steps towards affirmative action in the public service, will survive a constitutional challenge.

The Democratic Party announced in the second reading debate on the Public Service Laws Amendment Bill that it would ask President Mandela to refer the bill back to the National Assembly on grounds the affirmative clause was unconstitutional.

Opening the debate on the bill, which could not be approved last night because there were too few MPs in the National Assembly to vote on it, Dr Skweyiya said the constitution required a broadly representative public service.

The bill empowers the minister to make policy about the transformation of the service, particularly to make it more representative.

The affirmative action clause counters previous legislation which enabled some public servants to challenge in court the Government's affirmative action policy.

Salie Manie, chairman of the portfolio committee on the public service, said that employment in the public service in future would be linked to performance.

He said heads of departments would be required to sign performance-related contracts with their ministers or MECs.

appeals against convictions are speedily transmitted to the South African Police Service and other relevant authorities in order to prevent persons on bail from absconding and/or (b) revise the arrangement whereby 48 hours is allowed after such notices have been served and before imprisonment commences; if not, what is the position in this regard; if so, what are the relevant details? N1624E

THE MINISTER OF JUSTICE:

The current provision in the Criminal Procedure Act No. 51 of 1977 requires that after an Appeal has been dismissed, written notice should be given to the Appellant which would include an order that the Appellant should report to the relevant police station within 48 hours.

A view has been expressed in the Department that the current position is possibly unsatisfactory. The views of Attorneys-General, Registrars, and Chief Magistrates were requested. Arising therefrom, a suggestion has been made that the law should be amended to require an Appellant to be present at the appeal hearing, or alternatively that the dismissal of the appeal should have the immediate effect as authority for the issue of a Warrant of Arrest for the Appellant.

As soon as the suggestions have been processed, a proposal will be submitted to Cabinet and Parliament.

*41. Mr J A JORDAN - Public Works. [Question standing over.]

SANDF: treatment of San people

*42. Ms M E TUROK asked the Minister of Defence:

- (1) Whether his or the South African National Defence Force's attention has been drawn to a press report in *The Argus* of 2 August 1997 concerning the treatment of the San people by the SANDF; if so,
- (2) whether he or the SANDF intends taking any steps to (a) investigate allegations of brutality and murder, (b) identify those persons responsible for the alleged forced recruitment of San people into the SANDF and/or (c) identify those persons

responsible for the alleged disappearance and massacre of San soldiers who refused to co-operate and members of their families; if not, what is the position in this regard; if so, what steps in each case? N1672E

THE MINISTER OF DEFENCE:

(1) Yes, our attention has been drawn to the allegations contained in the newspaper article.

(2) Yes, I have been informed that the Chief of the National Defence Force has already instructed that the allegations be investigated.

I undertake that the findings will be made available to this House and the hon member.

Affirmative action: official classification system

*43. Mr P W COETZER asked the Minister for the Public Service and Administration: **176**

Whether there is an official classification system in terms of which the Government identifies (a) disadvantaged communities and individuals from such communities and/or (b) goals and/or quotas when affirmative action policy is laid down for state departments; if not (i) how are statistics kept in regard to affirmative action appointments and (ii) how is progress in respect of affirmative action monitored; if so, what are the relevant details in respect of such system? N1674E

THE MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION:

(a) No. The White Paper on the Transformation of the Public Service identifies Blacks (Africans, Indians and Coloureds), Women and Persons with disabilities as the beneficiaries of Government's affirmative action programmes;

(b) The above White Paper proposes broad national targets, which are, within four years (two years now) all departmental establishments must endeavour to be at least fifty percent (50%) black at management level. During the same period at least thirty percent (30%) of new recruits to the middle and senior management echelons should be women. Within ten years, people with disabilities should comprise two percent (2%) of public service personnel.

(i) National Departments and Provincial Administrations keep affirmative action statistics in terms of race, gender and disability, which they forward to the Department of Public Service and Administration to be fed into the national data base.

(ii) National Departments and Provincial Administrations have to submit quarterly reports to the Department of Public Service and Administration on progress regarding their affirmative action programmes. The Department is to processes and collate such information for the development of an annual report to be tabled in Parliament.

Diplomats unwilling to serve in Africa

*44. Dr B L GELDENHUYS asked the Minister of Foreign Affairs:†

(1) Whether any diplomats are unwilling to serve elsewhere in Africa; if not, what is the position in this regard; if so, why?

(2) whether he will make a statement on the matter? N1675E

THE MINISTER OF FOREIGN AFFAIRS:

(1) A survey was conducted amongst officials in the Department and from the response received the following could be included:

(i) Almost all officers are prepared to serve in Africa although -

(ii) Some officers, mostly with families, have indicated their concern about service in some countries in Africa or and posts in other regions for i.a. the following reasons:

- inadequate health services
- poor educational facilities
- high risk diseases regions prevalent in certain security

(2) In view of the above, no.

Questions transferred for oral reply in accordance with Rule 202:

Questions standing over from Wednesday, 18 June 1997:

Recommendations on community service implemented

*8. Dr R RABINOWITZ asked the Minister of Health: [Written Question No 668]

(1) Whether she or her Department has given effect to the recommendations on community service made by the committee appointed by her to investigate the matter; if so, how; if not,

(2) whether she or her Department has taken or intends taking steps aimed at encouraging South African doctors to practise in rural areas; if not, what is the position in this regard; if so, what steps? N1158E

THE MINISTER OF HEALTH:

(1) The Human Resource Committee appointed by the Minister in 1994 recommended that "Compulsory service in an underserved area (should) be a prerequisite for identified health professionals wishing to enter private practice".

The Minister and the Department considered this report and supported the introduction of Community Service. However because the Interim National Medical and Dental Council of South Africa was also discussing Post-graduate Vocational Training and took a decision in July 1996 to recommend two years of Vocational Training for doctors, the issue of Community Service was held in abeyance.

Subsequently, at the hearings of the Portfolio Committee on Health several of those who made submissions said that they would prefer Community Service to Postgraduate Vocational Training.

When the Minister withdrew the bill on 11 June 1997, she considered the inputs made during the Parliamentary hearings and she then added a provision enabling her to introduce Community Service, and re-submitted the bill to parliament. The Interim National Medical and Dental Council of South Africa has also recommended that the introduction of Vocational Training should be postponed.

Howard

Howard

(a) How many public works projects have been initiated by his Department since 27 April 1994 and (b) how many persons in total have been or are being employed in implementing these projects? N1071E

THE MINISTER OF PUBLIC WORKS:

(a) The current total number of projects stands at 1 106.

(b) Various community dynamics make it impossible to capture total numbers of people employed in the program. For example, as a general trend, communities tend to demand rotational employment in a project in order that a large number of the community members can benefit in terms of employment from one project. Consequently if our monitoring captures total numbers of people employed in one project double counting is bound to occur giving unrealistic picture.

To avoid double counting on the one hand and loss of valuable statistical variable on the other, our monitoring captures the overall total of workers days which stands at 6.3 million at present.

*52. Dr M S APPELGRYN - Foreign Affairs. [Written Question No 695] [Question standing over.]

*62. Mr K M ANDREW - Finance. [Written Question No 794] [Question standing over.]

New questions:

Affirmative action: instructions regarding implementation of policy (176)

*1. Mr A J LEON asked the Minister of Justice:

(1) Whether, in view of the ruling of Mr Justice J Swart in the Pretoria High Court on the affirmative action policy of his Department, he has issued any instructions regarding the implementation of that policy and the filling of the 30 senior posts referred to in the judgement; if so, what are all the relevant details; if not, why not;

(2) whether he or his Department intends taking any action in this regard; if not, why not; if so, what action;

(3) (a) which of these 30 posts have already been filled and (b) what steps are being taken regarding the persons appointed to these posts;

(4) what was the total cost to date to his Department incurred in respect of this court case? N1759E

THE MINISTER OF JUSTICE:

(1) and (2) The ruling of the Pretoria High Court is presently on appeal to the Supreme Court of Appeal, Bloemfontein. Instructions have been given that prescripts and law must be compiled with in the filing of all posts, including the posts referred to in the judgement.

In September 1996 already a new policy document on Affirmative Action was negotiated in the departmental Bargaining Chamber. Based on the agreed policy, action plans are being developed. It is hoped that agreement will be arrived at in the departmental chamber on the action plans.

In the meanwhile posts have already been advertised and steps are being taken to fill the 30 posts referred to.

(3) None of the 30 posts have as yet been filled, but they are expected to be filled shortly.

(4) 350 000,00.

Investigation into contract to distribute social pensions

*2. Mr A J LEON asked the Minister of Justice:

Whether the investigation initiated in February 1996 by the Office for Serious Economic Offences into a certain person, whose name has been furnished to his Department for the purpose of his reply, in connection with the awarding of a contract to distribute social pensions, has been completed; if not, (a) what progress has so far been made and (b) when is it envisaged that the investigation will be completed; if so, what was the outcome? N1760E

THE MINISTER OF JUSTICE:

(a) and (b) The investigation has not been completed. The Office for Serious Economic

Offences (OSEO) has indicated that its hope is that the investigation and report will be ready by the end of September 1997. The outcome cannot be anticipated or predicted.

Sports teams: participation by previously disadvantaged groups

*3. Mr M J ELLIS asked the Minister of Sport and Recreation:

(1) (a) What is his Department's policy in respect of the promotion of the participation by previously disadvantaged groups in sports teams and, (b) what is the status of this policy;

(2) whether he or his Department intends taking any action to regulate the selection of national teams; if not, what is the position in this regard; if so, (a) what action, (b) when and (c) in respect of which sports teams? N1761E

THE MINISTER OF SPORT AND RECREATION:

(1) (a) Through its funding policy the Department prescribes that at least 60% of the annual grants allocated to National Federations be spent on development programmes that are aimed at redressing historical imbalances which will eventually lead to more representative national teams.

(b) In line with this policy, the National Sports Council (NSC) recently announced affirmative action guidelines, in terms of which each National Federation is expected to develop its own policy on representativity, with clearly defined time scales for implementation. The response of the National Federations is awaited in due course.

(2) No. The Department takes the view that day to day matters are left to individual sports bodies within the agreed framework prescribed by the aforementioned guidelines.

Sarafina II: anonymous donors

*4. Mr M J ELLIS asked the Minister of Finance:

Whether Chapter X of the Treasury Instructions has been amended to deal specifically with the question

of anonymous donors in order to comply with recommendation 1 of the Public Protector's report on Sarafina II; if not, what is the position in this regard; if so, how has it been amended? N1762E

THE MINISTER OF FINANCE:

No.

After consultation with the Auditor-General and the Public Protector Chapter X will be amended during September 1997 as follows:

"X1.3 Identity of Donor

X1.3.1 "When a donor requests to stay anonymous, the accounting officer of the department concerned shall submit to the Treasury a certificate from both the Public Protector and the Auditor-General that the identity of the donor has been revealed to them, that they have no objection thereto and that they have taken note thereof. (This provision shall in no way limit the Auditor-General or the Public Protector to supply this information to his/her staff, and where in the public interest, he/she deems it necessary to report in relation to this.)"

X1.3.2 When a donor objects to the stipulations in X1.3.1, the donation shall be rejected."

Meetings between Ministers/Attorneys-General

*5. Mr D H M GIBSON asked the Minister of Justice:

(1) Whether there is any formal arrangement prescribing meetings between himself and Attorneys-General in order to resolve matters of mutual interest; if not, on what basis do meetings take place;

(2) whether he intends introducing such an arrangement; if so, what are the relevant details;

(3) how many such meetings took place during the period 1 July 1996 up to the latest specified date for which information is available? N1763E

the average length of time between the receipt of a complaint by the Commission and completion of the investigation of complaints, as a result of the varying nature of complaints received and the varying nature of investigations or action taken in respect of respective complaints. However, on average, investigation of a complaint is completed within five months.

Remark

According to the Chief Executive Officer of the Human Rights Commission, the complaints handling function of the Commission should be assessed against the following background:

* There are only two professional staff members in Johannesburg and one professional staff member in Cape Town to handle the case load.

* Sponsorship for the installation of appropriate information technology systems, including a complaints handling system, has recently been approved. The installation should be completed in the next three months. In the absence of adequate systems and human resources, the handling of complaints and the furnishing of statistics, amongst others, are extremely onerous tasks.

QUESTIONS

† Indicates translated version.

For written reply:

Draft labour equality bill
992. Mr C M GEORGE asked the Minister of Labour:†

Whether a commission or committee has been appointed with the instruction to draw up a draft labour equality bill; if so, what are the (a) names and (b) qualifications of the members of this commission or committee? N1699E

The MINISTER OF LABOUR:

On 11 March 1997, the State Attorney's Office, at the Department of Labour's request appointed three lawyers to serve on the Drafting Team for the Employment Equity Bill. He appointed them on the instructions of the Department of Labour. The three lawyers are:

1. Ms Amanda Armstrong of the law firm Cheadle, Thompson & Haysom;
2. Ms Urmila Bhoola also of the law firm Cheadle, Thompson & Haysom;
3. Mr Sipho Madhlopa of the law firm Madhlopa Attorneys.

All are qualified attorneys at law. They have worked with Messrs Mzi Yawa, Loyiso Mbabane and Jeremy Baskin from the Department in drafting the Bill.

Department: cellular telephone bills

1032. Mr A J LEON asked the Minister of Labour:

(a) What was the cellular telephone bill of each employee of his Department in possession of an official cellular phone in each month during the latest specified 12-month period for which information is available and (b) what controls are in place to prevent the abuse of such cellular phones? N1743E

The MINISTER OF LABOUR:

(a) See attached schedule.

(b) A policy on the utilisation of cellular telephones has been adopted according to which a monthly financial limit is placed on the usage of cellular telephones. The current financial limit on expenditure on all calls is R200 per month per official cellular telephone. In the event where the financial limit is exceeded, the user will be required to identify and pay for all private calls made. If no response is received from the user within 30 days after receipt of a copy of the account, the amount exceeding the financial limit will be deducted from the user's salary. No calls on cellular phones to foreign countries are allowed.

(a)

Cell phone	Jul 96	Aug 96	Sep 96	Oct 96	Nov 96	Dec 96	Jan 97	Feb 97	Mar 97	Apr 97	May 97	Jun 97
1	547.69	164.94	1 104.98	164.94	164.94	164.94	164.94	222.57	193.21	266.30	636.70	992.99
2	488.36	895.50	406.62	636.80	407.72	412.57	727.14	431.76	457.64	729.83	836.26	360.42
3	-	-	559.61	353.04	344.61	340.79	537.82	331.04	329.90	232.28	593.08	550.85
4	518.57	1 029.71	998.33	1 029.71	960.37	468.70	505.35	524.42	404.63	367.41	838.53	442.02
5	265.27	241.21	228.39	234.99	200.05	195.55	228.73	185.64	229.41	206.11	482.23	239.35
6	296.89	452.73	733.85	588.79	575.11	558.30	397.78	317.37	656.34	699.57	1 042.98	559.29
7	-	-	-	-	-	-	109.06	336.25	297.54	316.69	408.00	273.38
8	274.10	693.75	343.37	377.17	498.75	225.90	183.14	-	-	-	-	-
9	1 024.52	1 357.27	1 684.05	1 777.30	883.54	391.92	695.32	351.16	533.39	672.49	265.23	239.23
10	153.90	384.43	816.90	678.44	656.58	569.73	820.14	797.04	729.80	932.79	821.85	832.33
11	712.60	1 271.43	1 266.31	1 144.30	729.46	676.79	1 006.44	710.10	932.79	995.46	671.72	993.28
12	-	-	-	-	1 617.72	688.76	821.38	153.90	605.57	953.27	1 140.34	837.96
13	-	228.00	975.90	706.02	828.00	659.32	592.70	899.18	554.89	91.20	702.23	-
14	-	228.00	665.02	539.18	710.09	379.05	555.06	542.18	519.44	474.46	190.60	297.43
15	-	-	-	249.11	485.40	912.32	962.22	1 193.64	1 343.83	817.95	1 169.13	1 792.25

- (2) no, the current system is slow and as a result beneficiaries have to wait long for their benefits. Accommodation facilities are poor and in some areas there is no electricity. The Department of Health and Welfare in the province decided to outsource the payment function in order to improve the service;
- (3) the process is slow, resulting in long queues with inadequate facilities such as shelter and toilet facilities; and

- (4) beneficiaries received payment in January, March, May and July.

Elimination of discrimination against women: report

687. Ms P GOVENDER asked the Minister for Welfare and Population Development:

- (i) what stage has been reached in compiling the report, (ii) (aa) which departments (aaa) have and (bbb) have not submitted reports and (bb) why have the departments which have not yet submitted reports, not yet done so, (iii) what steps are being taken to ensure that departmental reports are being submitted and (iv) what is the time-frame for the completion of the report being compiled by the Government, (b) in respect of the reports so received, which departments (i) have taken positive steps towards implementing CEDAW and (ii) are behind schedule in respect of the implementation or planning for the implementation of CEDAW and (c) in respect of the processing of the report, (i) when is Parliament going to have the opportunity to consider and make inputs in respect of the report and (ii) when is civil society going to have the opportunity to comment on and make inputs in respect of the report? N117E

The MINISTER FOR WELFARE AND POPULATION DEVELOPMENT:

- (a) (i) The first draft Report of Government on the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW) is finally completed and comments are being invited from interested parties. It has been made available on the Internet and distributed by the Ministry for Welfare.

The planning process entailed the following steps:

At an intergovernmental meeting on 12 December 1996 departments were informed of the report writing process and their writing obligations, and given clear time-frames. On 20 January 1997 an Editorial/Drafting Committee was agreed upon. On this occasion a list of departmental contact persons (and departmental representatives on the Editorial teams, if they were different persons) was drawn up in order to facilitate communication.

Departmental reports were due for submission on 21 February 1997. On that day only nine departments submitted their reports. A series of extensions had to be granted. Because all reports were still not available by mid-April 1997, the initial drafting cycle had to be adjusted. The Editorial Committee, charged with producing the country report, was totally dependent on departmental reports.

The Editorial Committee comprises a designated person each from Justice, Foreign Affairs and Welfare, and two consultants.

- (aa) (ii) By 22 August 1997 only two departmental reports, i.e. Finance and Posts, Telecommunications and Broadcasting remained outstanding.

Submission of Reports

	(aaa) Departments who submitted reports	(bbb) Departments who have not yet submitted reports
1	Agriculture	Finance
2	Arts, Culture, Science and Technology	Posts, Telecommunications and Broadcasting
3	Constitutional Development	
4	Correctional Services	
5	Defence	
6	Education	
7	Environment and Tourism	
8	Foreign Affairs	
9	Health	
10	Home Affairs	
11	Housing	
12	Intelligence Services	
13	Justice	
14	Labour	
15	Land Affairs	
16	Minerals and Energy Affairs	
17	Public Enterprises	
18	Public Service and Administration	
19	Public Works	
20	Safety and Security	
21	Sport and Recreation	
22	Trade and Industry	
23	Water Affairs and Forestry	
24	Welfare	

- (bb) The respective Ministers will have to explain why their departments have failed to submit reports. The Secretariat and the Editorial Committee have gone to lengths to support departments, provided all of the necessary information and reasonable dead-lines as well as to accommodate the problems of departments, hence the many extensions. A variety of reasons were forwarded to the Secretariat for the late submission, but we are unable to say what the particular difficulties were or are for the department who are still in default.

- (iv) Subsequent to the first due date, a progress report was written to Dr. Pahad, in the office of the Executive Deputy President, requesting their office to write to departments urging them to submit by the extension date 7 March.

Notwithstanding the extension, the slow submission rate prevailed. In April, the Minister for Welfare and Population Development verbally raised the matter in Cabinet and followed this up with written reminders.

The Office of the Minister for Welfare and Population Development was engaged in a continuous telephonic follow-up exercise with departments. In addition, since December this office provided information and assistance whenever departments indicated difficulties.

- (v) Projected time-frame for completion of the report. Due to slow submission of input by departments, the initial dates were changed and this amended time frame was followed:

Activity	Expected date
Five members of the Editorial Team were each responsible for writing up a few articles of the Convention. After studying each departmental report they had to compile a national response. One member was assigned the Editor.	30 May 1997
Submit collated response to editor	
Drafting Committee met to review and correct of first draft.	19 June 1997
Second draft distributed to interested parties and role-players	22 July 1997
A national workshop to review the first draft report	22 August 1997
The editor incorporates workshop comments to report	5 September 1997
Draft reports ready for submission to Cabinet.	11 September 1997
Public hearing by the Ad Hoc Committee on CEDAW	3rd week of September 1997

- (b) (i) and (ii) It is not easy to answer this question now because of the process which was followed in getting the responses from departments. Studying the submission, the draft team focused on the information that aimed at addressing questions to be covered by the CEDAW obligations. In answering the

question, all departments were provided with a list of questions by the Drafting Committee covering the following areas:

- Legislation to be put in place to eliminate discrimination against women
- non legislative initiatives introduced to eliminate discrimination
- measures introduced to eradicate discrimination
- availability of desegregated data.

The information received therefore, covered areas of legislation, policies and programmes they are putting in place in line with the process of transformation taking place in the country and in particular the equal opportunity process in departments. On the basis of the questions provided, it would therefore not be fair to say whether departments are implementing CEDAW or not. Now that we have a report which is a benchmark for the country, it is recommended that the Office on the Status of Women (OSW) using the report as a tool, begin to monitor the implementation of CEDAW and to provide a report within a given period to the CEDAW Ad Hoc Committee on progress made and areas which need attention.

(c)(i) The report has been submitted to Core Ministries (Foreign Affairs, Justice, Welfare and the Deputy Ministry in the Office of the Executive President) through the Minister for Welfare and Population Development on 22 July 1997 and will be submitted by the second week of September to Cabinet and then later this year to Parliament.

The original report writing process included provincial and national public hearings. The Core Ministries, co-ordinating the delivery of the CEDAW report, will have due to time constraints, decided on public hearings of the report by the CEDAW Ad Hoc Committee to solicit further input to the report. The existing brief of the Drafting Team ends with the submission of the Draft Report to the Core Ministries.

(ii) We clearly will not have a problem to make this report available to the public and I envisage that the Ad Hoc Committee will also play a role in this regard.

Irregular promotions

953. Mr J A JORDAAN asked the Minister for the Public Service and Administration:

- (1) How many irregular promotions have been found by the White Commission of Enquiry to have taken place in each government and provincial department;
- (2) whether all these irregular promotions have been set aside; if not, what is the position in this regard; if so, what are the relevant details;
- (3) what is the total amount that was found to have been overpaid in salaries in this regard;
- (4) whether this amount has been recovered; if not, what is the position in this regard; if so, what are the relevant details;
- (5) whether the Public Service Commission has completed its investigation into the slow rate of progress in the implementation of the commission's recommendations; if not, why not; if so, (a) what were the findings and (b) what action has been taken to improve the position? NI655E

THE MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION:

(1)(a) To date, promotions of approximately 4 000 people were found to be irregular.

(b) All 4 000 promotions were set aside. However, not all investigated cases were set aside since, of the 4 000 promotions, 648 promotions were found to be in order and confirmed.

(c) Approximately R7,2 million has already been calculated as overpayment by Departments/Provincial Administrations. However, most Departments/Provincial Administrations are still in the process of determining the exact amounts owing to the State.

(d) A large portion of the overpayments has not been recovered yet as the Department of State Expenditure is still in the process of developing guidelines and standard formulae for Departments/Provincial

Administrations to follow when determining overpayments.

(2)(a) The Portfolio Committee on the Public Service and Administration conducted hearings on the 7 and 8th August 1997, with all the Heads of Departments/Provincial Administrations to whom the Judge White Commission has referred cases of irregularities. It was evident at this forum that most Departments/Provincial Administrations were experiencing problems with the implementation of the Commission's findings. The following are some of the problems experienced:

- No clear guidelines exist for the calculation of overpayments.
- There is no uniform approach amongst Departments/Provincial Administrations when calculating overpayments as each follow their own procedures especially with regard to the following:
 - Income Tax
 - Contribution to the Government Employees Pension Fund
 - Motor Finance Scheme for Senior Officers
 - Interest on overpayments

(iii) As pointed out by the Commission, huge amounts are to be repaid by some officials which will result in undue financial hardship. It seems that most repayment periods will be longer than 12 months with the result that approval from Treasury will be needed.

(b) At the hearing, Departments/Provincial Administrations were instructed to set aside promotions immediately on receipt of the findings of the Commission as this in itself would constitute savings. The calculation of overpayments could be done at a later stage.

As already mentioned, the Department of State Expenditure has been requested to develop a set of clear guidelines and standard formulae which Departments/

Provincial Administrations can use to do the calculations on an equitable manner.

Minister/Deputy: remuneration for speaking engagements

968. Mr K M ANDREW asked the Minister of Finance:

- Whether he and/or his Deputy minister accepted remuneration for any speaking engagements during the period 1 June 1996 up to the latest specified date for which information is available; if so, (a) for how many speaking engagements and (b) what total remuneration did he and/or his Deputy Minister receive as a result;
- whether this remuneration was retained by his Department; if not, to whom was it paid out; if so, what are the relevant details;
- whether any state resources, including transport for Ministerial staff and transport provided by the State, were employed in preparing for and attending these engagements; if so, (a) what are the details concerning the resources so employed and (b) what was the total cost incurred in employing such resources? NI670E

THE MINISTER OF FINANCE:

(1) No

(2) Not applicable

(3) No.

Cites: department's role in downlisting elephant

970. Mr P F SMITH to ask the Minister of Foreign Affairs:

- Whether he or his Department played a central role in securing the decision of the South African Government to support the requests of Namibia, Botswana and Zimbabwe to downlist the elephant from Appendix I to Appendix II of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (Cites); if so, (a) on whose authority

LABOUR Bill will require every business to draw up a strategy, says Mboweni

Affirmative action law coming

ET (B&R) 5/19/97

(176)

CHRISTO VOLSCHENK

ECONOMICS EDITOR

Cape Town — A draft affirmative action bill that requires every business to have an affirmative action plan would be released for comment before the end of the year. Tito Mboweni, the labour minister, told the Cape Chamber of Commerce and Industry yesterday.

Every business would have to keep a plan ready in case the government called to study it. "Even Cyril Ramaphosa, Johnnie's executive chairman, would have to keep his plan ready," Mboweni said. "The bill would start a process of deliberate inclusion in the economy of those sections of the population previously excluded."

The bill would follow the Malaysian affirmative action model more closely than the American one. It would not impose targets for black advancement in the workplace on businesses, but rather place the onus on businesses to develop their own programmes.

"The government will merely ensure that every business has a plan and monitor the progress made with the implementation of those plans."

Every business would be

allowed to implement the plan at its own pace and decide for itself how to restructure the workforce. The government would call on businesses to show and motivate their plans, and progress with implementation would be monitored.

"Businesses would have to start by looking at the current racial profile of their workforces.

"Plans would include timetables and targets for changing the racial composition of the workforce to represent the population," he said.

Mboweni told the chamber he expected problems in Nedlac with the Skills Development Bill released earlier this week, and specifically over the level of the training levy.

The bill provided for a levy on remuneration (salary plus fringe benefits) of between 1 percent and 1,5 percent, but the trade unions wanted it to be as high as 4 percent, he said.

Business might have been more comfortable with the idea of sectoral education and training boards had it known how the sectors would be demarcated.

"Unfortunately Nedlac is still busy demarcating the sectors after months of deliberation," said Mboweni.



TALKING SHOP Labour Minister Tito Mboweni, Johann Beard, the chairman of the Cape Chamber of Commerce human resources committee, and Ali Gierdien, the chamber's president, in conversation shortly before Mboweni addressed the chamber yesterday

PHOTO ANDREW BROWN

AFRICAN BUSINESS

LABOUR *Namibia aims to redress the imbalances of the past*

Critics slam proposed affirmative action law

(176)

CT(BR) 5/9/97

TABBY MOYO

Windhoek — The draft legislation on affirmative action in Namibia has faced criticism from some employers and some trade unions who fear that the legislation could create more problems than provide solutions.

Last month the Draft Affirmative Action Bill was released by the labour commission and circulated to interested parties before its submission to parliament.

The proposed law is an attempt by the state to redress past inequalities by creating equal opportunities in employment for all Namibians in accordance with the constitution. The bill describes the targeted groups as blacks, women and disabled people.

It provides for the establishment of an employment equity commission, which would oversee the removal of unfair colonial employment

practices in the government and the private sector.

Under the proposed legislation, every employer would be required to develop and implement a three-year affirmative action plan in which affirmative action objectives would be set and a timetable for the achievement of these objectives established.

Every employer would be required to file an affirmative action report with the employment equity commission every 12 months. The reports would be laid open for public inspection. Failure to do this could mean the imposition of a fine of R4 000 for first offenders and R24 000 for second and subsequent offenders.

Bro-Matthew Shinguadja, the labour commissioner and

the national affirmative action co-ordinator, said the bill would probably be brought before the National Assembly when it resumed business at the end of this month.

Arthur Pickering, the president of the Public Service Union of Namibia, said he felt some of the provisions in the bill were too authoritarian.

"The legislation is going to worsen the situation. It is going to create conflict between black and white Namibians and even between the black groups themselves," he said.

Pickering is also an under-secretary in the foreign affairs ministry. He said qualifications and experience could be overlooked by certain employers in the quest to meet the requirements being stipulated

by the proposed law.

He said it was likely that, for instance, when a disabled black man and a woman with more or less the same qualifications applied for a job, the female would be preferred even if the male had more experience. The same kind of discrimination would arise when a black male and white male applied for the same job.

But Shinguadja said there was nothing in the proposed new legislation which compelled an employer to hire or promote persons who were not suitably qualified, create new employment positions, or hire or promote an arbitrary or fixed number of persons during a given period.

Employers who spoke on condition of anonymity raised questions on who was going to be responsible for identifying and appointing members of the employment equity commission. — Independent Foreign Service

'Qualifications and experience could be overlooked in attempt to meet requirements.'

Affirmative action 'is long-term plan'

(176)
Patrick Wadula

BD 11/9/97

AFFIRMATIVE action failed in many companies due to management's lack of seriousness in developing its employees and a preference for poaching talent elsewhere, a human resources expert said yesterday.

Addressing a seminar on affirmative action and employment equity in Johannesburg, Mpilo Associates managing partner Dirk van Wyk said many viewed affirmative action as a costly exercise in the short term which involved having trained support staff, communication material and proper human resources development plans.

He said affirmative action was a social transformation tool. Employee development had to be treated as a strategic issue if affirmative action was to succeed.

Van Wyk said others saw affirmative action as employee numbers from the previous disadvantaged people in the company and not merit appointments.

He stressed that people had to be matched to jobs properly, using appropriate selection and recruitment procedures and tools.

"Affirmative action is a corrective process seeking to redress the consequences of racist belief and practices," he said, saying that it went further than employment opportunities. It was also aimed at distortion in educational access, at the ownership of land, at the provision of housing and at discrimination in social amenities.

Van Wyk called on companies and state departments to create an organisational culture which supported the continuous development of people.

"Employ experienced and respected human resources professionals who will support and coach line managers in developing people, rather than own the process," said Van Wyk.

He said an organisation where people grew were those that held positive expectations of its employees and also provided an open honest and constructive feedback on performance.

Performance had to be evaluated both within a short- and long-term frame of reference.

Van Wyk said the development of employees had to be regarded as a key managerial performance area and reward success meaningfully. Managers had to be trained to understand motivation and organisation, and their positive role.

More not better with affirmative action in SA

ST (DT) 7/9/97 (176)

Many companies believe their programmes are not being effective, writes MARCIA KLEIN

ALTHOUGH an increasing number of companies are implementing affirmative action programmes, more and more are indicating that their programmes are not working.

According to FSA-Contact's fifth annual affirmative action monitor among corporations, the proportion of companies which feel their programmes are "totally or somewhat unsuccessful" has risen to 32% from 22% last year.

There was a 157% rise in the number of companies implementing affirmative action programmes in the past five years. Now, almost 90% of companies have a formal or informal policy in place.

In addition to increased disillusionment, there has also been a drop in the degree of commitment of chief executives, senior and middle management to their affirmative action programmes.

Kris Crawford, head of FSA-Contact's Remuneration Information Services, says 56% of respondents to the survey reported "that while employees in their organisations view affirmative action as a form of reverse discrimination, there is less resistance from white employees than there was in 1996." However, more and more organisations are saying,

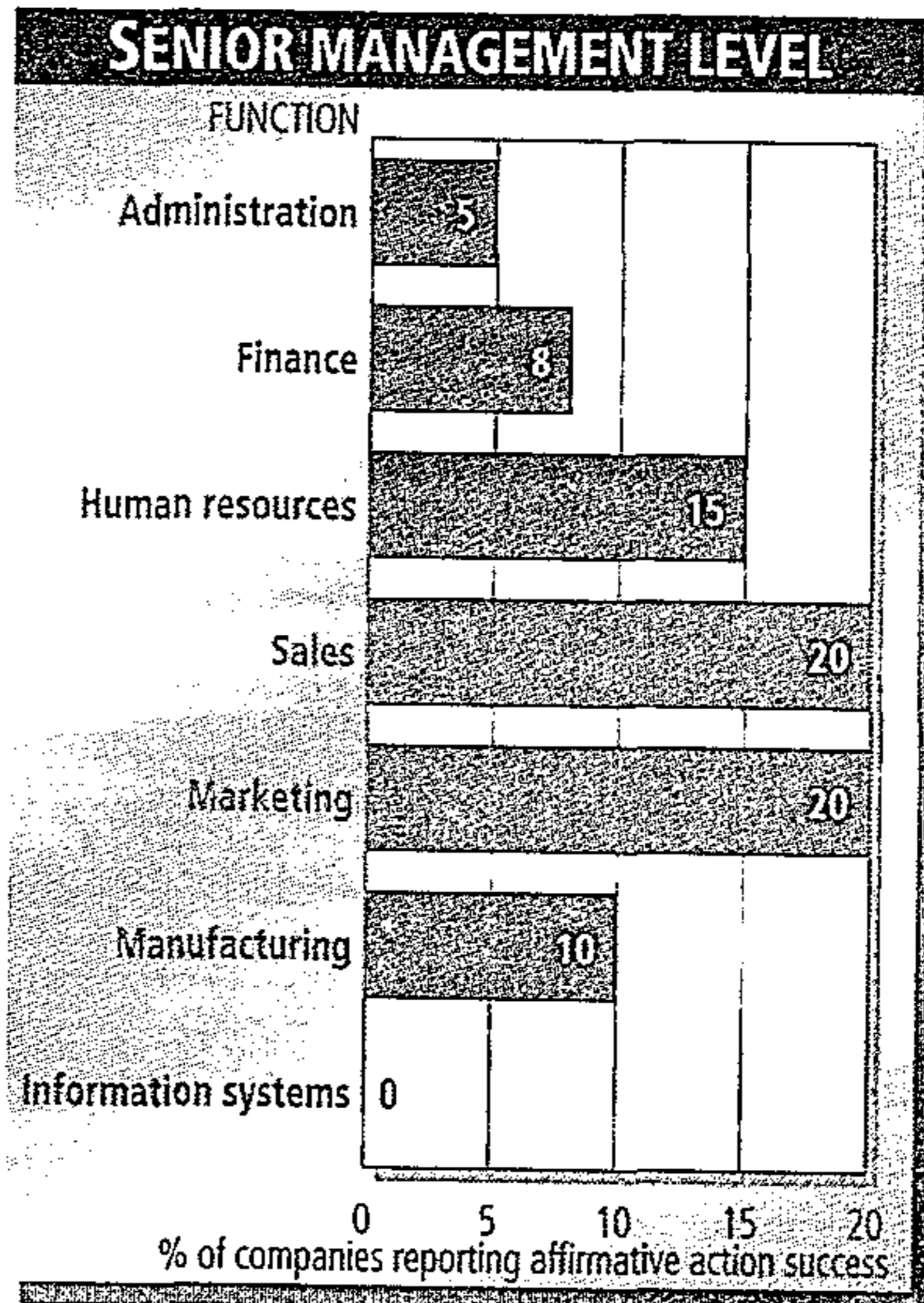
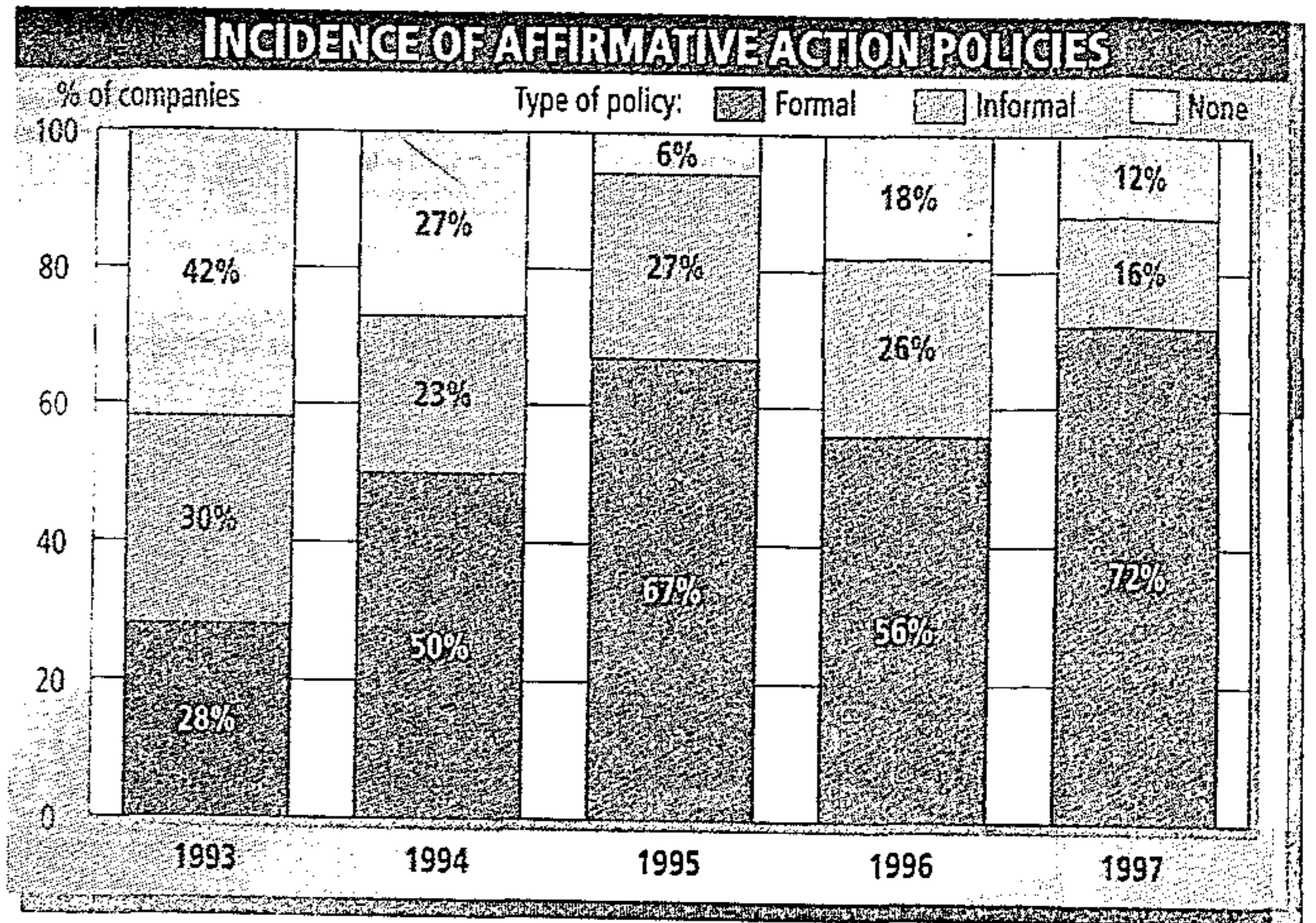
that black employees have inflated expectations.

The survey also shows an increase (to 21%) in the number of organisations saying they have experienced a drop in standards or deterioration in work quality as a result of affirmative action.

Almost 60% of the companies say they do not expect affirmative action candidates to be fully competent on appointment and a significant portion rate the performances of their affirmative action employees as acceptable or superior, but the number of companies rating them as poor and not meeting expectations is growing.

At the level of director, most affirmative action successes have been in human resources, while at senior management level the successes have been in sales and marketing.

The survey shows that in 1994, only 6.2% of employed professionals were black. This has increased to 15.3%, with projections that this will reach 33% by 2000. There has also been an increase in the number of blacks at senior management level, but at a slower rate. At middle management level, the proportion of blacks has inched up in the past three years. But at general staff level, there has been a dramatic decline in white representation.



Graphic: RONALD KERSHAW

Source: FSA CONTACT

Whites make up just less than 50% of this workforce compared with 61% in 1994, and this figure is expected to drop to 25% by 2000.

Increasing demand, coupled with the skills shortage, has led 23% of companies to pay premium salaries to black ap-

pointees. Crawford says at director level one in four companies pay premiums of 21% to 30% of basic salary while the rest pay premiums of between 11% and 20%. Black senior managers, middle managers and professionals get 11% to 20% above basic pay.

There has been a dramatic increase in the number of companies (to 63%) which have had their affirmative action employees poached by other companies. "The declining length of service of affirmative action employees is disturbing," says Crawford.

JUDGMENTS 'MAY OPEN FLOODGATES'

Civil servants to gain from labour rulings

CT 16/9/97

THE DEPARTMENT of Correctional Services has been found guilty of unfair labour practices for placing staff in top posts without promoting them, **INGA MOLZEN** reports.

TWO landmark labour law judgments have far-reaching implications for employers' treatment of long-service staff and implementation of affirmative action policies.

In the first case, the Commission for Conciliation, Mediation and Arbitration (CCMA) found that the Department of Correctional Services had been guilty of an unfair labour practice by failing to pay an official for acting in a senior post.

In the second case, the Industrial Court found that the Department of Correctional Services had failed to promote a social welfare worker who had 15 years' meritorious service and was not paying her an appropriate package.

The judgments are expected to open the floodgates of litigation against the government by staff who serve in senior posts to which they have not been promoted.

Other test cases are already on the Industrial Court roll.

According to Mr Casper van Rensburg, general manager of the Public Servants Association (PSA), which has 1,2 million members, the "breakthrough" came with the CCMA's finding that the Department of Correctional Services was assigning people to act in senior positions without paying them for doing so.

The case arose from Warrant Officer W P Badenhorst's appointment two years ago as commander of the Wepener area outside Bloemfontein — a position previously held by a captain.

The CCMA ruled that Badenhorst should be promoted to lieutenant and that his promotion should be backdated with pay to

January 1996.

Badenhorst was also awarded compensation of R6 200.

The CCMA said the Department of Correctional Services' failure to promote Badenhorst was an unfair labour practice because he had received neither the financial compensation nor the benefits of the post.

The department's affirmative action policy, adopted in August 1995, was cited as the reason for the failure to promote Badenhorst, who had fulfilled his duties in manner that was "way above average". However, the department made no effort to find another suitable person for the position.

The CCMA was told that the affirmative action policy could not be applied in a fashion "so wide that it does not clearly identify boundaries of the policy and/or the persons whom the policy intends to benefit".

The department's head of personnel in the Free State, Mr G W van Niekerk, said the "broader policy of affirmative action" had prevented Badenhorst's promotion.

Mr C G Koorts, counsel for Badenhorst, argued that although affirmative action appointments were insulated against attacks on the grounds of unfair discrimination, this does not give employers "carte blanche".

In providing for affirmative action, the labour law allowed employers to adopt policies and practices that "achieve adequate protection and advancement" of persons or groups disadvantaged by unfair discrimination, thereby "ensuring the full and equal enjoyment of all rights and freedoms", Koorts said.

(176)

Affirmative action programmes should be subject to limitations, he said. These included the time frame for their application in addressing artificial abnormalities in the labour market, at the end of which, when equality was achieved, certain practices would again become discriminatory and unjustifiable.

In the second case, the Industrial Court heard that social welfare worker Mrs Aloma Zandberg of Pretoria had almost 15 years' service with the Department of Correctional Services and had received many merit awards for excellence. However, she had not been promoted or paid appropriately.

She told the court she had served in many senior positions. Although she had been made many offers of promotion, these had brought only lesser transfer packages.

She had been deployed in various posts that were advertised but not filled, Zandberg said. Although she had been kept on in these positions, she had not been promoted to the rank of lieutenant, nor had she been paid in line with her responsibilities or competence.

The Industrial Court confirmed Zandberg's seniority and competence and awarded her backpay to October 1994.

Van Rensburg said he expected expected many similar claims for compensation to be made by officials who had "qualified for promotion and (served) in posts without compensation, recognition or promotion".

Thousands of staff members might stand to benefit from the rulings, he said. There were many public servants, particularly in the lower ranks and middle management, who performed adequately in senior positions but were not given the appropriate rank, service benefits and recognition.

Black advancement pledge

Patrick Wadula

BD 25/9/97 (176)
ELECTRONICS and telecommunications group Altron has adopted an employment equity policy document to implement black advancement within Altron companies.

Altron chairman Bill Venter said this week the document, known as the Altron Manifesto for Economic and Employment Equity and Affirmative Action, would encourage black management appointments and empowerment of small, medium and micro-enterprises "within a measurable and aggressive time framework". He said: "Our committed target is to source up to one third of all locally purchased goods and services from emerging businesses during the next three years."

Alcatel Altech Telecoms, a subsidiary of the Altron group, had recently granted black business group Rethabile a 20% stake in the company for R125m. Another black consortium, which included IT&T (Afrika), a women's investment group Invest-ferm and Masimo Investments, had also bought a 20% stake in Altron subsidiary Alcom Systems.

First black woman to manage airport

Sowetan 11/10/97

(176)

By Oupa Ngwenya

THEMBI Mogoai has become the country's first black woman to manage an airport.

Mogoai (30), who made history by also becoming the first woman to be promoted to management level in the Airports Company of South Africa (Acsa), started her work as manager of Western Cape George Airport today.

Speaking to *Sowetan Business* before her departure to George on Monday, Mogoai said she was fully prepared for her new job.

She said she would use her vast experience acquired at the Johannesburg International Airport (JIA) where she worked with Acsa as public relations manager.

Acsa is a landlord to many companies doing business at airport premises. These include airlines, banks and catering shops.

Prior to this appointment, Mogoai had enjoyed a fair spectrum of working experience, starting as an investment centre officer with Permanent Bank from February 1989 to March 1991.

Account executive

She then moved to advertising as an account executive at Ogilvy and Mather from March 1991 to August 1992.

From November 1992 to July 1994, she worked as a public relations assistant at the Industrial Development Corporation.

Last year she was selected for an accelerated management programme and has since March this year, acted as landside manager at JIA.

She said her appointment would not have been as bearable without the support system afforded to her by JIA.

"The mentorship I received at JIA has given me both the management tools and confidence to tackle what I consider to be an enormous challenge.

"The single most important factor in preparing me for this position was the opportunity I was given to work closely with general manager of JIA Rory Mackey, to whom I reported," says Mogoai.

While on the accelerated management programme, she had the opportunity to travel to Houston in the United States to attend a course on airport management.

It was there that she gained broader

She also made history by becoming the first woman manager at Acsa



Newly appointed George Airport manager Thembi Mogoai says she will give her best to develop the airport. PIC: PAT SEBOKO

understanding of airport management. She also attended a course in Canada, on intermediate airport management.

As to why her new appointment had generated more attention than the previous ones, Mogoai said: "This is because it entails ascending to a higher decision-making level and brings with

it the actual exercise of authority."

About 190 000 passengers a year pass through George Airport, which is situated along the Garden Route, a key tourist area.

Says Mogoai: "I will try my best to ensure that through my service the tourism industry also flourishes."

MANAGEMENT

Buying black employees 'is dishonest'

(176)

Lukanyo Mnyanda

THE widespread management practice in the building and other industries of "buying" people to give their companies the "correct" racial profile was dishonest and not in SA's or the companies' best interest, Solly Preller, spokesman on management for the Association of SA Quantity Surveyors, said this week.

Companies could not buy loyalty and commitment, which could be achieved only by adopting a long-term focus and empowerment philosophy. "Loyalty and commitment cannot be

bought. They are components of a company's cultural environment. Companies must have a long-term focus — an approach which the opportunists of this world do not share."

A value system which encompassed commitment and loyalty should be an integral part of building a successful company.

Preller said companies should adopt a global perspective in their management practices if they wanted to succeed internationally. "Businesses will not be sustainable if they fail to utilise value systems and business principles which are international."

Many successful companies had adopted the "Cathedral philosophy", defined by Charles Handy in *The Empty Raincoat — Making Sense of the Future*, to ensure growth. The approach was based on the principle of sustainability, exemplified in the people who built Europe's historical cathedrals. Although they did not see them completed, they had the vision to start.

"Businesses need to adopt similar philosophies," said Preller, deputy president of the quantity surveyors' association. "The implementation of a vision will be started by one generation and completed by another in the years

ahead," he said. SA management was coming to terms with the federal approach to running organisations, which was an exercise in the balancing of power.

"It is a different and often very uncomfortable way of thinking about organisations, since it is led from the centre but has to be managed by the component parts," said Preller. "What many managers find difficult to accept is that there is room in federalism for the small men to influence the mighty, and for individuals to flex their muscles. It's a balancing act which is not always comfortable for managers."

Small printers lose out on tender work

Despite affirmative action policies, government print tenders are still going to big companies,

writes Julia Grey

If government policy were followed to the letter, small emerging black businesses should be benefiting when tendering for printing government paperwork — everything from annual reports to ballot papers. In reality, few previously disadvantaged individuals (PDIs) are

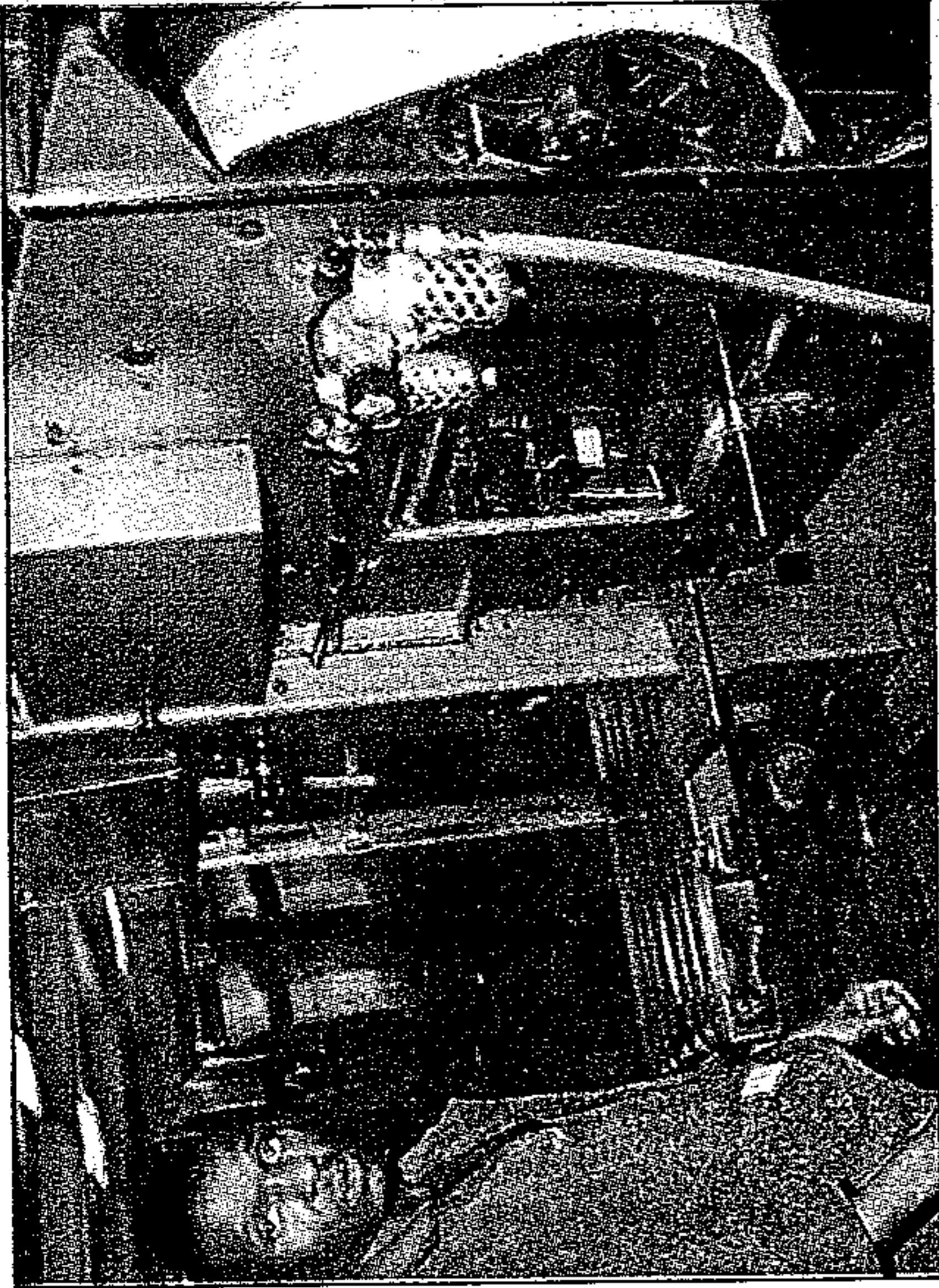
reaping any rewards from the affirmative procurement policy.

On a national level, Cabinet has approved that, for printing contracts valued at less than R2-million, a ratio favouring PDIs is used. The lowest quote receives 88 points; 10 points are scored for equity ownership by

PDIs; and two points for equity ownership by women.

However, provincial structures procure for certain work independently under their own tender board acts.

There is no clear-cut reason for this apparent discrimination. Typically, the fact that these black-owned printers are just emerging means they have relatively small capacity, and often cannot deal with the size



Snarled up: Small firms lose out on government tenders.

PHOTOGRAPH: HENNER FRANKENFELD

of the contracts. Consequently, the larger printing firms — established in the apartheid era — continue to win government work.

Although these large firms — such as CTP and Creda — do farm out business they cannot manage to smaller black businesses, Celeste Naidoo, who acts as a broker for black printers in the Western Cape, points out that PDIs end up at the mercy of the larger firms, "groveling for crumbs".

But even larger black-owned printers are struggling to get government work. Ashraf Japtha, estimator for the growing printer Forneset, says government work accounts for about 1% of its monthly business while the company could easily handle 25%. "The time has come for us. We want work, but we're battling to get work. There should be a slice of the pie for every-one."

Isaac Smith, head of the office of the tender board in the Western Cape, concedes there is still a long way to go to make black empowerment a reality.

While most printing work is sent to the central government printers in Pretoria, the work farmed out by the provincial tender board seldom makes its way to PDIs. Smith says one reason is that "certain companies are known" to the people making the decisions, and that a database of PDIs is urgently needed for this to change.

The situation in the Western Cape is exacerbated by the fact that the province has yet to enact the preference system — part of the affirmative procurement policy — that was implemented by national government in August last year. This, as well as the fact that the PDIs are new to the system, results in "a negative effect on black printers".

Government printer Mesuli Dondolo, based in Pretoria, echoes Smith in saying that the quotes submitted by PDIs show enormous ignorance of the tendering process: some quotes are "unreasonably" low, others are up to 400% overpriced.

He agrees that this ignorance, as well as the limited capacity of small printers, results in their inability to compete.

But his sympathy is limited: Dondolo argues that, according to the rules of the tendering system, the government "doesn't go out and look for PDIs", but expects them — like everyone else — to apply for work published in the government tender bulletin.

But many small black-owned printing businesses express enormous frustration with the process. Hugh Ralephata from Johannesburg-based Manthuba Business Forms, which Dondolo gave as an example of a PDI getting government work, said the company does tender, but with very little success. He argues that the government should reserve specific jobs for PDIs, because they are unable to compete with established firms.

The Eastern Cape tender board maintains it has adopted a policy "intended to make sure that specifications are sensitive towards the small, micro and medium enterprises which were disadvantaged by past policy".

However, one printer in the province — who declined to be named for fear of "stirring up a hornet's nest" — insisted that printing in the Eastern Cape "had nothing to do with affirmative action", and that the local printing industry generally "was quieter than it has been in years".

He adds that small printers are going on a major drive to try to change the situation.

Affluent blacks tell of 'new SA' trauma

BD 14/10/97 (176)
NEW YORK — Newly affluent SA blacks are struggling "socially and emotionally" as they climb the ladder of success, reports Suzanne Daley in The New York Times.

Daley, who interviewed nouveau riche South Africans, writes that they generally enjoy the trappings of their new status and, given a little power, are not above using it.

However, those who played no part in the fight for equality spoke of guilt feelings about benefiting from the sacrifices of others.

Well-to-do blacks still faced small humiliations as they adapted to a new

lifestyle and negotiated the minefields of situations like taking out a mortgage and talking to neighbours who assume they are servants.

Some likened work to "a battlefield where they are patronised and ignored by white colleagues".

Members of this new social class are not comfortable, either, with friends who have done less well and typically want to borrow money.

However, prosperous lawyer Enos Banda told Daley, finding new friends was not easy. There are so few wealthy blacks that he sees the same people at every party he attends. — Sapa.

Water reserves to outlast El Niño

(176) BD 14/10/97
PRETORIA — The El Niño weather phenomenon should not dry up SA's water reserves, thanks to the best storage levels in 77 years at major reservoirs, the water affairs department said yesterday.

It said water delivery was not expected to become a problem for at least two to three years, which matched El Niño's life expectancy.

"It is therefore evident that the emergence of El Niño does not necessarily bode us all that is evil," the department said.

"It is fortunate that it hits us at a time when storage levels are excellent."

The department said SA experienced above-average rainy seasons during 1995/96 and 1996/97, and the current storage state at major reservoirs was the best on record since 1920, it said.

El Niño, which is expected to cause a warming of the Pacific Ocean, generally negatively affects SA's summer rainfall.

It was therefore expected that run-off from catchment areas would also be below average.

The department said the long duration of a warm spell caused by El Niño between 1990 and 1995 was regarded as exceptional.

Also, the 1982/83 drought caused by an unusually strong El Niño affected SA at a time when storage levels were low — at about 48%. The current storage level was 90% of capacity.

"No problems are foreseen in water delivery from major water systems for the next two to three years, by which time the Pacific Sea surface temperatures may be back to normal or even below normal," the department said. — Sapa.

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Mboweni: Affirmative action bill will cause dust

CT 22/10/97 (176)

THE Labour Department was discussing a final draft of affirmative action legislation that would be presented to the cabinet soon, Labour Minister Mr Tito Mboweni said yesterday.

The Employment Equity Bill was aimed at getting rid of the industrial colour bar, he told the parliamentary labour portfolio committee.

"That bill is going to cause a significant amount of dust in the air."

Those who had benefited from apartheid labour legislation would complain that affirmative action was being imposed upon them.

Mboweni said plans for a presidential job summit were going ahead, but it was uncertain whether the preparatory work could be completed in time for it to be held this month, as planned.

It was important that interested parties reached consensus on the key issues, or else the gathering would be a "quarrelling summit" rather than a jobs summit.

Mboweni repeated his view that there was enough consensus between labour and business on the Basic Conditions of Employment Bill for it to have been tabled in Parliament last month.

Those issues on which there was disagreement could be revisited, and there was plenty time to do this.

"We have to proceed to govern the country; whatever the parties say, they agree on the bulk of the content of the bill."

Mboweni said planned strike action by the Congress of South African Trade Unions to press home

its demands for the bill was "not the end of the world".

On the National Skills Development Bill, which will impose a compulsory training levy on companies, Mboweni said difficulties were being experienced with working out payment systems for training.

The bill was being finalised and consensus could be reached, he said.

Next year legislation would be considered to extend bargaining council agreements, which would "take the concerns of interested parties on board".

Mboweni defended the National Economic Development and Labour Council (Nedlac). Differences were bound to arise within Nedlac, he said. "These differences are not a sign that Nedlac is about to collapse."

However, the relationship between Nedlac and Parliament needed to be addressed. — Sapa

Black navy recruitment at sea

Marion Edmunds

The South African navy's affirmative action drive is faltering, partly because black recruits resist going to sea, reject naval traditions and would prefer desk jobs in Gauteng to be close to their families.

In a report to the parliamentary integration oversight committee, which monitors the transformation of the South African National Defence Force (SANDF), the navy admits it is struggling to find suitable black recruits, and those it has found are often frustrated.

While the navy says it is committed to black recruitment, it is finding it uphill work, particularly as it has concentrated its efforts in a land-locked province. "The majori-

ty of suitable African applicants emanate in Gauteng ... This results in numerous requests for geographical transfers to Pretoria ... Career development of many African members is thus often negatively affected by their area-boundness," says the report.

While the first black naval employees saw service in the 1950s as "berthing attendants, drivers, firefighters and cleaners", blacks only became officers from 1990. Since then the uniformed black permanent force component has increased from 1% to 16%.

"Some African members have had some difficulty in assimilating the naval way of life, in particular resisting service at sea," the report says, observing that this aversion is reflected in "breaches in discipline".

When the navy attempts to punish offenders, it is often labelled as "racist", the report reads.

The navy has employed black psychologists to broaden the scope of entrance tests for recruits, is visiting black schools and seeking out model black sea-faring officers to provoke interest among young people.

"Selected African sailors with suitable profiles as appropriate role models, as well as non-white civilian personnel, have been placed at the various naval recruiting centres to convey the image of 'the like me' in inspiring new applicants ..." said the report.

The navy has also asked for assistance from "influential African persons", including the vice-chancellor of the University of the North, Professor Njabulo Ndebele, to identify

(176)

(174)

likely candidates for fast-tracking.

"The navy has earned respect and credibility among the African population ... for these initiatives," says the report. Only 14% of the navy is black, with a majority of coloured personnel — 41%. Whites make up 38%, and 7% is Asian. Only 9% are women.

Military discipline is an increasingly contentious problem in all SANDF forces as members of the former non-statutory armies, former homeland forces particularly, express dissatisfaction about the way in which courts martial are conducted.

This week the Joint Parliamentary Portfolio Committee on Defence was to discuss the appointment of a military ombudsman, who will work within the Public Protector's office, dealing with complaints from dissatisfied defence force personnel who find little relief within the current military judicial system. The meeting was postponed due to poor attendance by MPs.

The SANDF will not release statistics on disobedience within the

ranks. However, it has confirmed that almost 325 000 man-days were lost in the year to May due to absenteeism, most absent without leave (Awol).

An average of 1 366 employees were Awol each working day, with 258 claiming medical leave.

Among the reasons given for members being Awol were transport problems, imprisonment, indiscipline, substance abuse and participation in traditional ceremonies such as initiation.

Research is currently under way to redraft the country's military disciplinary code to make it more relevant to the new South Africa, and to create conditions to prevent Awol.

The Defence Department is trying to keep a lid on dissatisfaction that is expressing itself in disobedience and low morale increasing resignations from the army and the navy.

In the first half of this year, almost 3 500 SANDF members had voluntarily quit the forces, compared to 4 389 for the whole of 1996.

Affirmative action policy 'a recipe for more race tension'

ARG 1/11/97

(176)

Will affirmative action actually help to level the playing fields or will it go on to become a benign racism that ensures that black people stay in top jobs?

The affirmative action policy has many supporters and critics, but the eventual success of the policy will depend on the competence of those selected to fill affirmative action positions and its lifespan.

Professor Lawrence Schlemmer investigated the issue of affirmative action for the South African Institute of Race Relations, where he is vice-president.

He believes that it is a short-term solution to a long-term problem. He also believes that the corporate and industrial giants who have adopted such policies would do better to start affirmative training courses for skilled labour.

"It is understandable that the new Government wants to rectify the imbalances. But there is a danger that affirmative action could outlive its intended duration (to create a balance of skills) and become a mutated form of reverse racism. There is no doubt that affirmative action has been instrumental in creating racial tension among whites and blacks in the workplace. But the flaw has not been the policy itself but rather the misconceptions it breeds.

"Affirmative action creates the mindset among whites that affirmative employees will believe they are entitled to be there because of their victimisation under apartheid.

"Whites mistakenly believe this entitlement will lead to blacks taking advantage of their affirmative action privilege and doing no work.

"But black people who are

appointed in affirmative action jobs expect their white colleagues to be hostile and they in turn tend to be very passive in their jobs. Taking cues from their colleagues, they avoid confrontation and are hesitant in making decisions. This enforces the

'The best person should get the job regardless of their colour'

misconception that they are lazy and taking it easy."

Professor Schlemmer believes that a shortage of skills and the fact that skilled whites are emigrating will mean more blacks will be able to fill skilled positions where skills training is needed.

"At the end of the day the best candidate should get the job regardless of their colour. Until job candidates are

'It could outlive its duration and become a mutated form of reverse racism'

launched from an equal platform people will always question their right to be there. If they are all equally skilled then nobody can question their competence or appointment."

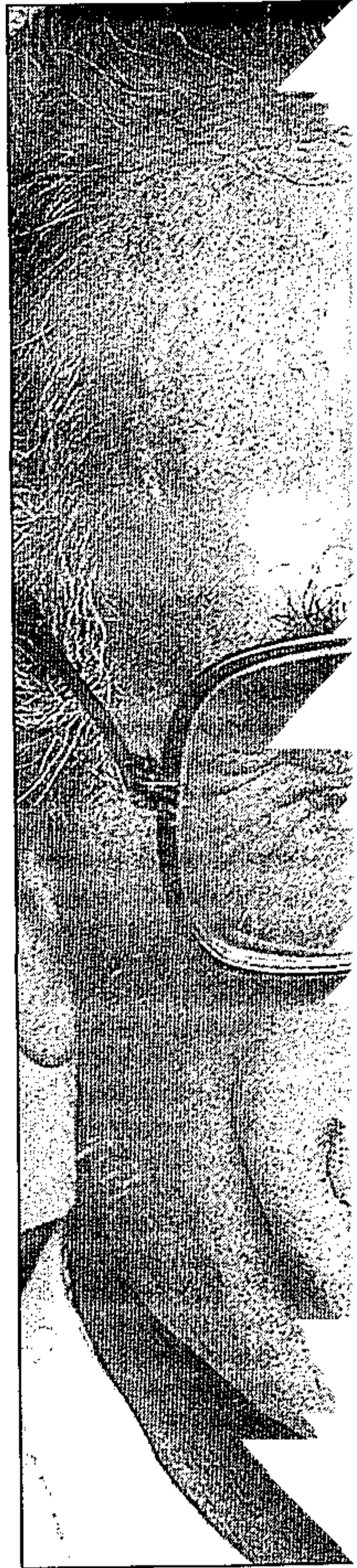
He also believes that there is a sec-

ondary danger inherent in affirmative action: the appointment of political loyalists (ANC loyalists) to top business positions. "It happened in the old government where the National Party and Broederbond used to put their members in influential positions. Some of these political appointees are proud of their job appointments but other employees see this as a broader political intervention. With the current adversarial political situation this could fan the flames of racial hostility even more."

Professor Schlemmer believes Government policies will lead to an overall improvement of conditions of blacks in relation to whites but that a dramatic transformation is very unlikely. In this context affirmative action will do more for social transformation than any mass effort through governance.

Professor Schlemmer notes that while many affluent and middle class blacks will embrace Western culture and values, a good proportion will keep an ideological difference between them and their white colleagues.

"The new middle class will realise that the justification of affirmative action lies in the enduring poverty of the poor who are left behind. They will continue to engage in 'identity politics' and will claim to be spokespeople for the disadvantaged majority. This will alienate them from their white colleagues. Another reason for continuing racial tension is the ironic fact that many whites who lose job opportunities because of affirmative action will become richer. Whites who are forced out of the civil service are forced to take risks and to become entrepreneurs."



In depth: Lawrence Schlemmer

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Bridging the gap for workplace harmony

The ANC government is dedicated to addressing racial inequality with many social adjustment programmes, a macro-economic policy and the most controversial intervention of them all - affirmative action.

Affirmative action has been implemented successfully in many large corporations and government departments but many employees still do not accept the legitimacy of the programme. Whites feel threatened and disempowered, blacks feel defensive and angry, coloureds and Indians feel left out and the tension is palpable.

Theresa Oakley-Smith, managing director of Absolute, has devised a programme that deals with this unspoken racial hostility and aims to improve better communication channels between employees.

Ms Oakley-Smith has been dealing with racial conflict since her days at Wits University as a psychology lecturer and residence warden. She left Wits in 1991 to start Absolute, promoting voter education in preparation for the first free election. Since then her company has developed from strength to strength dealing with transition, affirmative action, and diversity management.

One of its most successful programmes was devised to deal with racial tension in the modern workplace. The programme called "A part not Apart" has been lauded by many corporations who wanted to improve race relations.

"People come from different backgrounds, a history of racially segregated schooling has alienated children for generations. What the old government succeeded in doing was creating a culture of fear. Policies enforcing racial promotion and employment have aggravated the fear factor. White people now fear losing their jobs to blacks. The mistake here is that you can impose structural change - but you cannot change peo-

ple. Affirmative action will not change racism in the workplace."

Absolute tries to bring people from different backgrounds to a place where a basic understanding is reached. Ms Oakley-Smith said this had a positive effect on long-term productivity and staff morale.

The workshops are specially designed to fit the context of the work environment. The aim is to involve a broad spectrum of workers who have to deal with other workers of different backgrounds. "We draw up a number of scenarios where these people are likely to interact and encounter problems. Then we dissect the root of these problems. We discuss the issue of stereotyping people because of

'People hate what they fear, and in this case it's other race groups'

their skin colour, the way they dress and the way they behave, we examine these stereotypes for the hidden truths."

In large organisations Absolute chooses potential leaders and trains

them so they can continue to do workshops for other groups of employees.

In one case Absolute was contracted to provide a workshop for a Government parastatal. It was a real challenge. "All the whites wore khaki trousers and gun holsters while the majority of black workers were in blue overalls and were very humble. It was very difficult to find some common ground in such a hostile environment. At times I really despaired, but in the end I felt that we did narrow that chasm of fear just a fraction," she said.

"I think the most moving session I listened to was when one black woman told how her father, a priest, had been killed by the security police for being an activist.

"Another white woman in the same group told how her fiancée had died while in the army patrolling the same township. Both of these women had grieved for a loved one and they were able to share their grief with a former 'stranger'."

Govt department heads have to drive new affirmative action

David Greybe

CAPE TOWN — Heads of government departments at national and provincial level will be held responsible for implementing new affirmative action targets outlined in a draft white paper released yesterday.

Anyone failing to meet the targets "will be guilty of misconduct and can be charged for inefficiency", public service director-general Sandile Nogxina told Parliament's public service portfolio committee.

Mandatory regulations would be spelt out under new public service regulations to be implemented next year, Nogxina said.

Committee chairman Salie Manie said the committee intended holding public hearings on the draft white paper by next February. The paper spells out practical steps departments must follow in implementing broad affirmative action goals set out in other policy documents and statutes.

Affirmative action programmes must focus on three main areas:

achieving representation; redressing disadvantage; and developing a more diverse management culture.

Government has set three broad representation targets for departments and provinces. Two of the targets, which have to be achieved by 1999, are an increase in black management from the current 38% to 50% and more than doubling the number of women in middle and senior management from 11% to 30%. By 2005 the number of public servants with disabilities must increase from 0,02% to 2%.

The white paper states that departmental affirmative action programmes must contain, as a minimum:

- A translation of the broad numeric targets "into time-bound targets for each of the department's main occupational groups";
- The maintenance by departments of accurate statistics for each of the three target groups;
- Regular affirmative action surveys;
- A review of management practices to determine barriers to target groups and changes that are required to pro-

note their advancement;

- A published affirmative action plan that will set out objectives and time-bound targets, who will be held responsible for achieving them, resources to be allocated, monitoring and evaluation arrangements, dispute resolution procedures and consultation arrangements; and

- Pinpointing key players within the department to be responsible for implementing the programme, including the minister or MEC and director-general or head of department.

Affirmative action scams

By Edwin Naidu

Study claims white businesses are using front companies to win black empowerment contracts

Shaw 7/11/97 (176)

A study on the implementation of affirmative action and black empowerment has found that corporations use black front companies and hire "ghost" black directors and managers to win contracts.

According to Phinda Madi, one of the contributors to the University of Cape Town's Breakwater Monitor study on employment equity, this practice has become commonplace. Madi said scores of white companies had reserved shell companies with African names

with the registrar of companies, to be taken out "like a pack of cards" and used when needed. "These were used especially when an empowerment contract came up.

Some businesses hire freelance black executives to show up at a bid, posing as senior managers. After the contract has been awarded, the executives move on to other freelance opportunities. Madi said that despite multi-

billion-rand black-empowerment deals being finalised, at least 100 000 jobs had been lost this year according to the Central Statistical Service.

Black Management Forum president Lot Ndlovu has warned that the Department of Labour's failure to pass an employment-equity bill before the end of the year will result in the private sector getting its affirmative-action policies into gear only by 2001.

He said the legislation, expected to be passed in June, would give businesses 18 months to start implementing the policies.

The study, which polled 99 companies and represented 651 896 employees throughout the country, revealed that transformation in the workplace was moving slowly because of the delay in passing legislation through the Cabinet. At least 170 companies in

various sectors - including banking, building, construction, media, mining, retail, transport and professional - took part in the survey.

The report, due for release next week, shows most companies use the Paterson system of grading. Employees are graded according to duties and responsibilities in bands A to F, with the A-band starting salaries around R1 700 a month and F-band from R25 000.

The survey found 92% of whites in top management held F-bands, as opposed to 6% of Africans, 0,36% of coloureds and 0,90% of Indians.

The percentages were constant from upper C to upper E-bands, but showed a shift in the lower C-bands, which had 66% whites, 18% Africans, 8% coloureds and 6% Indians. Black employees made up 88% of the A-band, compared with 2% whites, 8% coloureds

and 1% Indians.

South African Chamber of Business president Humphrey Khoza said the economy would not sustain itself unless the Government or businesses radically changed the situation.

"Business must begin to take it seriously that the future is not an extension of the past."

Angus Bownarker-Falconer and Gordon Day, who compiled the Breakwater report, said policies and legislation aimed at employment equity were needed, since income distribution in South Africa was among the most unequal in the world.

Exposed

'Ghost' blacks clinch contracts

Front companies 'stalling affirmative action'

ARGUS CORRESPONDENT

Johannesburg - Some corporations are using black front companies and hiring "ghost" black directors and managers to win contracts, a study on the implementation of affirmative action and black empowerment has revealed.

Business consultant Phinda Madi, one of the contributors to the University of Cape Town's Breakwater Monitor's study on employment equity, said this practice was common, while real affirmative action was stalling. He said there was a proliferation of black front companies with African names and black managers. Scores of white companies had reserved shell companies with African names with the Registrar of Companies to be taken out "like a pack of cards" and used when needed

- especially when an empowerment contract came up for bidding.

Some organisations hired freelance black "executives" to bid for a contract as a senior official of that empowerment company.

Mr Madi said in the report that an executive with a public enterprise was recently confronted by four white company directors who claimed they were a black organisation and thus deserved a share in the organisation's empowerment jobs.

But investigation showed that only five percent of the equity was owned by a black organisation, which had its entire investment fund provided by a wealthy white businessman - the father of one of the four directors.

Mr Madi said that while multi-billion-rand black empowerment deals were being finalised, at least 100 000 jobs had been lost this year, accord-

ing to Central Statistical Services.

Black Management Forum President Lot Ndlovu meanwhile has warned that the Department of Labour's failure to pass an employment equity bill before the end of the year will delay the private sector getting affirmative action policies into place until 2001.

He said the legislation, expected to be passed next June, would give employers 18 months to begin implementing policies in terms of the bill - making it effective only in 2001.

The study, which polled 99 companies and represented 651 896 employees throughout the country, revealed that transformation in the workplace was moving slowly because of the delay in passing legislation.

At least 170 companies in the banking, building, construction, media, mining, retail, transport and professional sectors, had taken part

in the survey.

The report, due for release next week, showed that that most companies used the Paterson system of grading employees in bands from A to F according to duties and responsibilities, with A band salaries beginning around R1 700 a month and F band from R25 000.

The survey found that 92 percent of whites in top management were in the F band - the highest grading - as opposed to six percent of Africans, 0,36 percent of Coloured and 0,90 percent of Indians.

South African Chamber of Business President Humphrey Khoza said that if nothing happened between now and 2001 in terms of legislation or in mind-set, then the economy would not sustain itself.

"Business must take it seriously that the future is not an extension of the past," he said.

Companies use black front men

FAILURE by the Ministry of Labour to pass an Employment Equity Bill before the end of this year would result in the private sector delaying the implementation of affirmative action.

This is according to Black Management Forum president Lot Ndlovu, who was responding to a study on the implementation of affirmative action and black empowerment due for release this week.

The study, conducted by Cape Town's Breakwater Monitor and published in a daily newspaper last Friday, claims that white businesses are using black front companies to win empowerment contracts from Government.

The employment equity survey, which was conducted among 99 companies and 651 896 employees throughout the country, also says white corporations hire "ghost" black directors and managers to win these contracts.

The study adds that some corporations hire freelance black executives to pose as senior managers when the com-

pany bid for the contract.

The executives would then move to other freelance opportunities after the contract had been awarded.

Ndlovu warns that the failure on the part of the ministry to move faster in passing the Bill before the end of this year will encourage the private sector to get its affirmative action policies into gear only by 2001.

Phinda Madi, one of the contributors to the study, painted a gloomy picture, saying the practice of white corporations using black front companies has become commonplace.

He claims that scores of white companies register companies with African names with the Registrar of Companies "to be taken out like a pack of cards" and used when needed.

These companies are used when an empowerment contract comes up.

Companies involved in various sectors, including building, banking, media and mining retailing, took part in the survey.

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European court backs affirmative action for women

(176) BD 12/11/97

BRUSSELS — The European Court of Justice yesterday ruled in favour of a German state law that gave women priority for promotions to career brackets where there were fewer women than men.

The verdict was hailed by one European MP as "a great victory for women". The European Union (EU) had been waiting for the ruling to clarify what kind of action governments in the 15-member bloc can legitimately take to boost job prospects for women.

In a surprise move, the EU court rejected the opinion of a senior adviser who recommended that the law in question be

overturned. Advocate-general Francis Jacobs said in May that any rule which granted women "absolute and unconditional priority" for jobs violated EU laws on nondiscrimination and exceeded EU rules on promoting equal opportunities.

But the court decided the law passed by the state of North Rhine-Westphalia was acceptable because while it gave women candidates priority, it did not give them automatic, unconditional preference, since it allowed a man to be appointed if he could prove he was better suited for the job.

The decision by the Luxembourg-

based court contrasts with its ruling in the Kalanke case, the first EU-level case dealing with reverse discrimination.

In that landmark case, the court ruled in October 1995 that a quota system introduced by the German state of Bremen violated EU law by giving women unconditional preference over equally qualified men for jobs in pay and career brackets where women were under-represented.

"Where a promotion is involved, men tend to be chosen in preference to women, since they benefit from deep-rooted prejudices and from stereotypes as to the role and capacities of women," the court said

yesterday. The mere fact that a male and female candidate are equally qualified does not mean that they have the same chances."

The court concluded "priority given to equally qualified women — which is designed to restore the balance — is not contrary to (EU) law provided that an objective assessment of each individual candidate, irrespective of (their) sex, is assured and that ... promotion of a male candidate is not excluded from the outset".

German teacher Hellmut Marschall brought the case against the state of North Rhine-Westphalia for appointing a

woman to a post for which he was equally qualified, on the grounds that there were already more men than women in that career bracket.

His case was referred to the EU court for clarification. It now goes back to the North Rhine-Westphalia for a final ruling. Lissy Groener, a leading member of the European parliament's women's rights committee, said: "Men who thought the ruling against the Bremen quota system in the Kalanke case was a general attack by the European Court on the legitimate promotion of women were wrong."

Women

Sowetan 18/11/97

'State should not privatise blindly'

(176) ~~(176)~~
Aviation companies have no affirmative action policies

By Sello Rasethaba

THE AIRPORTS Company Limited (ACL) and the Air Traffic and Navigational Services Company (ATNS) were both formed in 1993 to commercialise the provision of services at the nine state airports and the air traffic control and navigational aids infrastructure.

These companies are presently 100 percent government-owned and are responsible to the Department of Transport.

The motivation to commercialise these entities, namely better financial control, efficiency, user charging and cost effectiveness, was valid and a trend taking place globally.

However, the timing of the commercialisation process (just before the 1994 elections) suggests that there were other agendas - to keep certain crucial areas of the aviation industry away from the new government and in the hands of a few vested interests.

It is important to examine these two entities more closely in terms of their orientation to the policies of the government of the day, namely human resource development and transformation.

One can argue that hardly any attempts have been made by the ATNS and the ACL to make them representative, in terms of race and gender, to properly reflect the demographics of this country.

Imbalances

The argument put forward by these companies is that they operate in highly specialised and technical areas, and that because of the legacy of the past, not enough black and female candidates are trained in these areas.

But then what training programmes have been implemented at these companies to address these imbalances since their creation some five years ago?

The ATNS boasts one of the most sophisticated air traffic control training facilities on the continent, yet how many South African black and female students have been trained there?

How has the navigational aids infrastructure that the ATNS oversees been utilised to develop the human resources of those from previously disadvantaged backgrounds in technical areas?

What efforts have been made to introduce bursary programmes for promising matriculants to study in various disciplines (technical, management, economics and so on) at a tertiary level?

And what is the intensity of recruitment of young black and female graduates from tertiary institutions?

By looking at the present composition of these companies, it is clear that the answer to these questions is that hardly any initiative has been taken with regard to human resource development.

There are no black employees in management positions, hardly any black air traffic controllers and technical personnel practising in their areas of qualification, and no formal affirmative action programme at the ATNS.

Furthermore, former exiles and people from the former Transkei, Bophuthatswana, Venda and Ciskei homelands who are now air traffic controllers or qualified in related disciplines are not given the opportunity to practice their skills.

Even very senior persons such as former directors of Air Traffic Control, who were trained at some of the top international air traffic control schools, are denied the opportunity of practising their professions and find themselves behind desks in these organisations, while employees many times their juniors are practising as air traffic controllers.

There is talk that a tripartite grouping comprising the ATNS, the ACL and another party are to establish an aviation training institution to offer programmes in various disciplines of aviation.

Given the past record of these entities, one asks the question: how committed will these institutions be to addressing the issues mentioned and developing human resources in line with the Reconstruction and Development Programme (RDP)?

The Aviation Training and Development Foundation (ATDF) was established by various stakeholders in the aviation industry to enable previously disadvantaged persons to pursue careers in the industry. The ACL and the ATNS are both affiliated to this body.

The policies of the ATDF are "to overcome the present educational inequalities and imbalances which cause barriers to entry in the industry" and "to ensure an adequate supply of suitably qualified candidates for the industry".

This body hopes to achieve this through programmes such as:

- Adult basic education and development (literacy and numeracy);
- Preparatory programmes aimed at upgrading basic academic life skills;
- Creation of a customer service culture;
- Air tourism awareness programmes; and
- Aviation industry administration.

Adult literacy and computer literacy may

be important areas but where are the programmes with more content and relevance to the aviation industry (in technical, business management and economics areas) for black and female candidates who do possess "computer literacy and basic academic life skills"?

Is this how these stakeholders hope to address the imbalances that exist in the industry?

If so, how serious will these stakeholders be in training those from previously disadvantaged backgrounds when they establish an aviation training institution?

The privatisation of the ACL is gaining momentum, with up to 49 percent of the current government shareholding initially up for sale to the private sector.

The Government intends selling the rest of its shareholding a year after the first phase of privatisation. If Government relinquishes all its shareholding in the ACL, how will it then effectively control transformation in terms of demographic representation?

In principle one is not against the privatisation process but caution must be exercised in the disposing of parastatals and other state assets that can play a crucial role in the transformation of our society.

Such state infrastructure, if utilised and controlled in the spirit of the RDP, will go a long way towards the transformation of this society.

No rush

There should be no rush, as transformation of South Africa cannot be achieved overnight and it certainly is not something to be left solely to the private sector; commercial management, yes, but social transformation must be implemented with a degree of government control.

Minister of Transport Mac Maharaj has set affirmative action targets, training and skills transfer programmes that the bidders will commit themselves to.

This is fine but what guarantees are there that these targets will be met once the ACL is totally privatised? Guarantees that these targets will be met may very well become a perpetuation of the history of this company, which is labelled "window dressing", an art which they seem to have perfected.

A strategic equity partner may be necessary to help attract capital needed for the expansion of airports but the Government does not have to relinquish all its shareholding for this to happen.

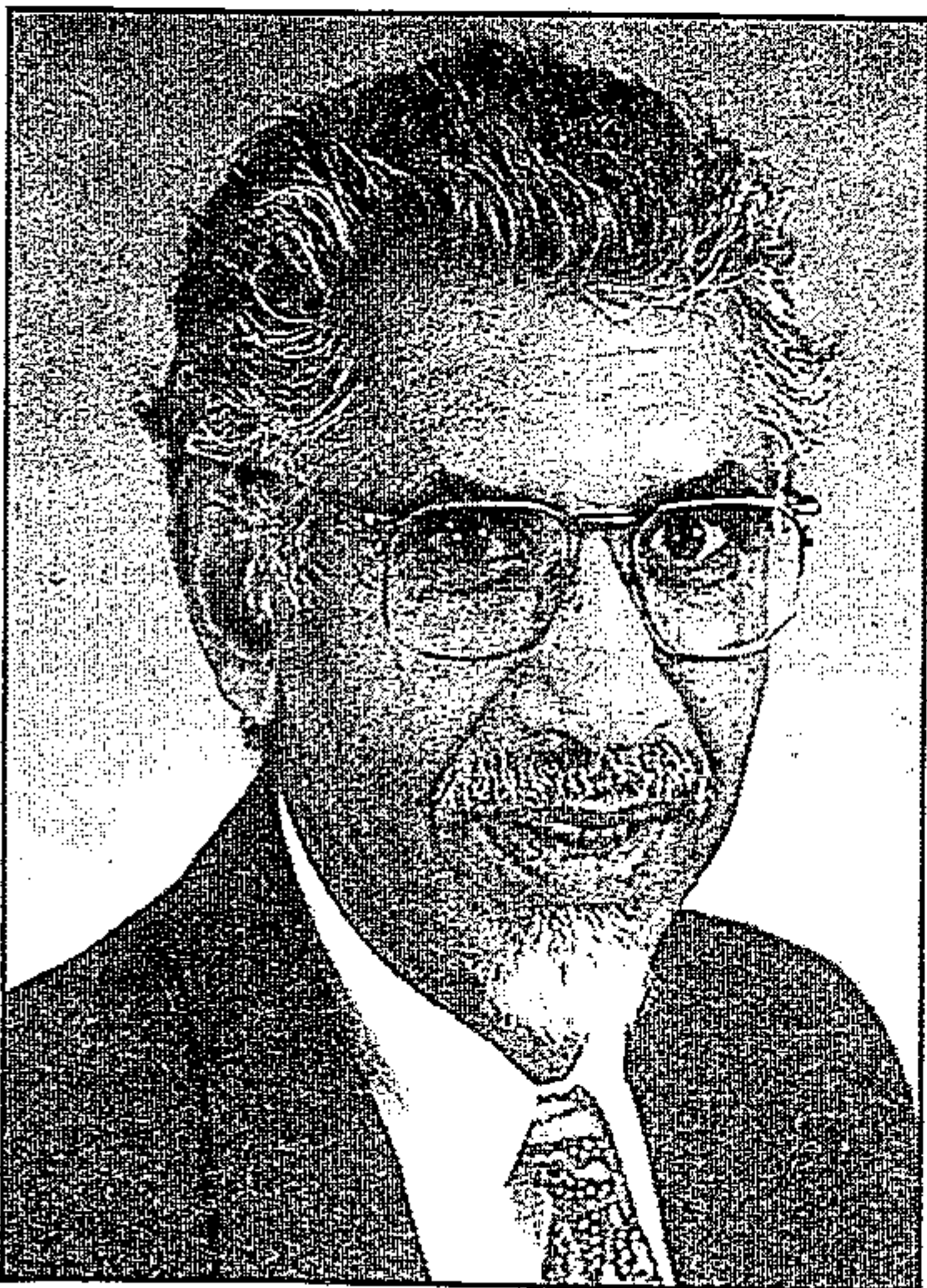
Totally privatising the ACL will not make it any more efficient than it already is, as it is a monopoly in the industry. Selling a 20 percent shareholding to black economic empowerment investment groups will also not ensure fundamental transformation of the company and the empowerment of blacks and females at a management and functional level in the company.

Government has to take the lead and control in ensuring that training, affirmative action and skills transfer occurs at all levels of these two entities, in line with the human resource development policies espoused in the RDP.

This process is crucial to addressing the imbalances of the past.

(The writer is a board member of North West Transport.)

‘No initiative taken to develop black people’



Mac Maharaj has linked the privatisation of the aviation industry with affirmative action targets.

Employment Bill to become law at last

Impact on small firms studied

ARC 20/11/97

THABO MABASO
BUSINESS REPORTER

The Basic Conditions of Employment Bill cleared the last hurdle on the way to becoming law when the National Council of Provinces (NCOP) adopted it with a clear majority.

The African National Congress used its majority in the council to push through the bill with 43 votes. Seventeen NCOP members, mainly from the National Party, voted against adoption.

Barring any mishaps, the measure will be signed by President Mandela in a few weeks' time and be promul-

gated into law early next year.

On Tuesday the NP tried to stall the bill's adoption by proposing new amendments. The NP said the amendments were an attempt to prevent excessive powers being given to Labour Minister Tito Mboweni.

The amendments were rejected by ANC members at a meeting of the NCOP's committee on labour affairs yesterday.

Mr Mboweni told an impromptu news conference after the NCOP's sitting that the adoption was a milestone in the history of workers and provided the framework for the restructuring of the South African labour market.

"The intention of this bill is not to destroy employers, but to provide a basic floor of rights for all workers," he said.

The bill introduces a 45-hour working week, four months' maternity leave and prohibits the employment of minors. Business organisations have said it will increase labour costs.

However, Mr Mboweni will appoint a commission to study the impact of the bill on small businesses. He said that if the commission's report suggested that small entrepreneurs would be hurt by the bill, amendments would be proposed next year.

'Some excitement' awaited over affirmative bill

ARC 20/11/97 (176)

BUSINESS REPORTER

President Mandela's cabinet has given the go-ahead to Labour Minister Tito Mboweni to publish the draft Employment Equity Bill for public comment and tabling before the National Economic Development and Labour Council.

The draft has been dubbed the

Affirmative Action Bill because it seeks to open the labour market to black people, women and disabled people. Companies who open themselves up to previously marginalised groups will get preference in, for instance, the rewarding of government contracts.

Mr Mboweni said yesterday the bill aimed to get rid of discrimination

in the workplace. The bill will be officially published on November 30.

The minister said the bumpy road travelled by the Basic Conditions of Employment Bill was nothing compared to what the affirmative action was going to go through.

"I expect that this bill will generate some national excitement," he said.

Affirmative action plan for police force set in motion

By WILLEM STEENKAMP

An aggressive affirmative action programme in the SA Police Service aims to ensure that more than half the force will be filled by people of colour by 2000, while 30% of the police will be women.

Police then expect the once white-dominated police force to become representative of the population, of which whites make up less than 15%.

Under the continuing rationalisation process, national police commissioner George Fivaz is expected to announce shortly the appointment of captains and superintendents in various strategic positions around the country.

In some parts of the country, special attention has been given to appointing women and black, coloured or Indian captains and superintendents as station commanders in historically white areas.

This is being done specifically to ensure that the police will become visibly more representative of the population.

The SAPS's equity unit in the Western Cape has proposed to the national office that an accelerated development programme be instituted to ensure that people from disadvantaged groups be moved into senior positions.

High-flyers

Candidates showing potential will be put on a fast-track programme and they will become the so-called high-flyers in the SAPS. It has also been proposed that talented policemen from disadvantaged communities will be placed in shadow posts to learn the required expertise from experienced officers.

The commander of the police's equity unit, Senior Superintendent Jenny du Plooy, said Fivaz was expected to make the announcement of the placement of numerous captains

and superintendents in specific positions before the end of the year.

Du Plooy said a special multidisciplinary equity committee had been established to help implement a programme to ensure the police in the Western Cape became more representative of the population.

In an effort to reach the required affirmative action appointments in the force by 2000, 70% of all intakes at entry level will be people from the disadvantaged sector.

Du Plooy said both the affirmative action policy and the equity programme had been welcomed in the force. She said there would be a strong drive to employ women in the force, with a target of 30% by 2000.

By the same time, 2% of the force should be made up of disabled people. The police also hope to launch a preferential training programme through which people from the disadvan-

tagged sector will receive special training, including being sent on overseas training trips. Affirmative candidates will receive preferential treatment.

Du Plooy said that in an effort to ensure that affirmative action targets were met, people from the disadvantaged sector would receive extra points when applying for senior positions in an effort to ensure that they had a more than average chance of being appointed in such positions.

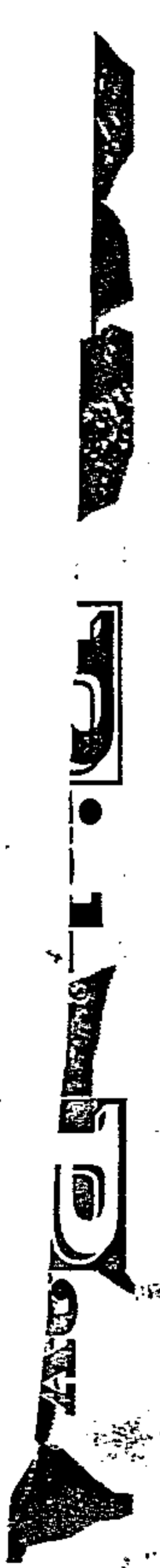
Standards

She said that under both the affirmative action policy and the equity programme, gender issues, equality and an eradication of discriminatory issues would be addressed.

Service standards would be improved and it was hoped that, through making the police more representative, members would become more acceptable in, and receive greater support from, the communities they served.



SOMETHING TO BE PROUD OF: Assistant Commissioner Magda Stander yesterday became the first woman police officer to receive the SAPS Star for Outstanding Service. PHOTOGRAPH: ANDREAS VIACHAKIS



Telkom offers rewards to staff Who find disadvantaged boffins

Anxious over its affirmative action recruitment operation

ANDREA WEISS

Telkom is so anxious to appoint affirmative-action computer boffins that it has put a price on their heads.

The national telecommunications company has offered its staff a reward of R6 500 for every computer expert from a disadvantaged background they find who is placed with Telkom. For every white expert Telkom staffers find the reward is R5 000.

The move is aimed at saving Telkom money and offering employees an "opportunity to earn extra cash".

According to Telkom the higher reward will be offered only until Telkom has met its affirmative action targets. After that it will continue to offer rewards for successful referral placements at the rate of R5 000 an appointment.

The system has generated huge interest among staff, with about 600 calls having been received in the past month. To date, about 40 referrals have been received and three of the candidates have been successfully placed. Jobs are advertised in internal vacancy bulletins, with a special note indicating that the positions qualify for referrals.

Telkom's rationale is that because of the scarcity of information technology skills in South Africa, qualified people tend to be expensive to recruit.

"Generally, they market themselves through recruitment agencies, which charge recruitment fees of up to 20% of basic annual salary.

"Telkom's information technology group sees the new recruitment referral system as an innovative way to recruit quality candidates and address past skills imbalances while improving the cost-effectiveness of recruitment," they say.

The system applies to all technical and managerial positions in the

group, but excludes administrative, financial, human resources and security positions.

Telkom said that through the referral system it hopes to tap into the extensive "contact networks" of its own employees.

"With a workforce of 57 000 people all over the country it stands to reason that many of our own staff will have attended courses or studied with people in the information technology industry.

"Because Telkom is in the industry, many of our people know the market and know of people with the right skills and experience for a

career in Telkom. And because they work for Telkom, our own staff are well-equipped to market the company and what it has to offer to potential candidates."

Telkom says that the referral system has clear ground rules and is regularly audited to ensure no irregularities take place.

Only referrals from outside Telkom will be considered. Each referral will have to be recorded before interviews are held.

Referrals did not mean automatic appointment and candidates will be screened and interviewed with any other applicants.

Line managers who do the interviewing will not qualify for rewards for vacancies in their sections.

Rewards will be paid only for appointments and in two instalments when the appointee has been with Telkom for six months.

Before the first payment is made, each case is individually audited to ensure that proper procedure has been followed.

Telkom's information technology group believes this is "a unique plan" and says it is not aware of any other company in South Africa with a similar system.

AR 4 22/11/97

(176)

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(176)

AR 6 22/11/97

Affirmative action turns its course

(176) 25 25 | 11 | 97

ADVOCATES of affirmative action in America had long been nervous about a drawn-out legal battle pitting a white New Jersey schoolteacher against local school authorities who dismissed her because of her race.

The case gave them nightmares as they pondered the implications of what would happen if she won her lawsuit.

What they feared most was that the case would end up in the US Supreme Court and that the aggrieved teacher and her many supporters would prevail on constitutional grounds in the country's highest judicial forum — setting a disastrous bench-mark for the fate of affirmative action as public policy.

Their fears were well-founded. They were heading for big trouble.

So they did what any self-respecting activist would want to do in the circumstances — they bought their way out of trouble.

In a move which took just about everyone by surprise late last week, a coalition of 21 black civil rights groups put together the finance to negotiate an out-of-court settlement that will cost them some 70% of about R2 million in payments to the plaintiff.

This weekend, they were portraying their decision as an investment to protect affirmative action. It may be the first time in legal history that a party to a high profile lawsuit has voluntarily paid up in defeat in order to claim a victory. How so?

Affirmative action — the process of providing special assistance with public funds for members of racial minorities and other groups to make up for past discrimination — may be in its developing stages in South

Africa, but it appears to be teetering on its last legs in the US.

In constitutionally-based court judgments, legislative action at all levels and in voter-driven referendums, a majority of Americans has made it plain to political leaders that enough is enough.

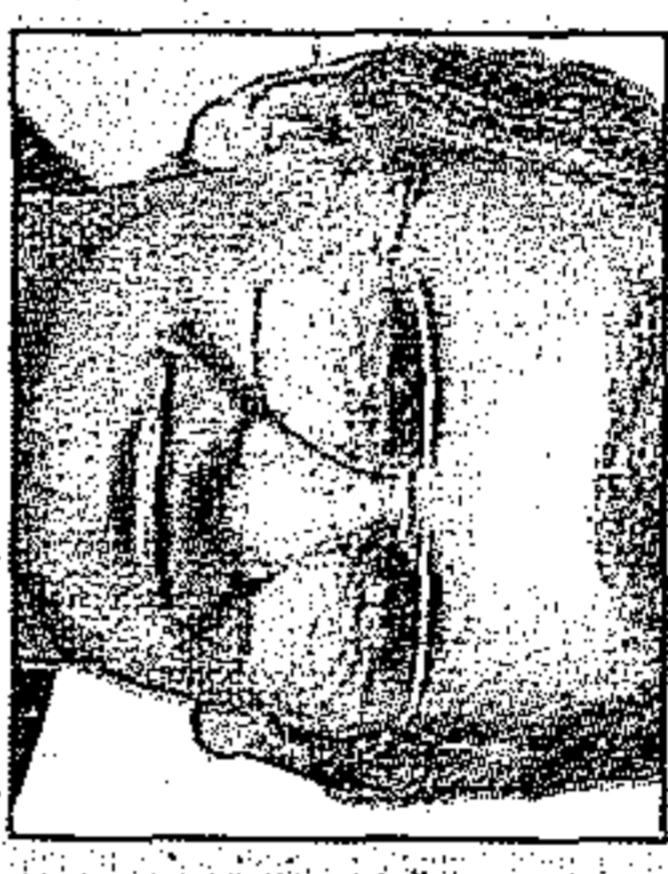
Through polls, surveys and at the ballot-box, Middle America has sent a message to Washington that while affirmative action may have helped to balance the books in the early days, it is now a full three decades after civil rights laws removed the last legal barriers to US-style apartheid. So its time is over, its shelf-life has expired.

Their assault on affirmative action has been supported by a narrow majority in the Supreme Court under Chief Justice William Rehnquist which, among other recent significant decisions, dealt it a severe blow by limiting its use in the provision of public works contracts at both the federal and local levels.

In these cases, white-owned businesses protested bitterly that their services were at least as good, and in some cases, less expensive for taxpayers than those offered by the minority-owned companies which were awarded lucrative contracts.

In other cases, the Supreme Court and lower courts set aside, for example, arrangements designed to create majorities for minority groups in congressional con-

WASHINGTON LETTER



situencies (or voting districts as they are called in SA), outlawed admissions programmes favouring blacks and Hispanics at universities in Texas, and — after a mammoth political and legal battle — upheld Proposition 209 in California.

In Proposition 209, the voters of California approved a broad-ranging ban on affirmative action practices such as racial or sexual preferences in public contracting, hiring and college admissions. Their vote was challenged all the way through the courts.

All of these developments made supporters of affirmative action distinctly nervous as the eight-year-old case of schoolteacher Sharon Taxman versus the school board of Piscataway, New Jersey, worked its way steadily toward the US Supreme Court.

They feared that the court would rule in favour of Taxman and that it would serve as a catastrophic precedent, yet another nail in the coffin of affirmative action.

The Piscataway case was troubling for the affirmative action community from the day it started in 1989 because they realised it contained elements likely to anger a majority of voters — even among those who might normally be sympathetic.

In 1989, the local school board, under financial pressure at the time, decided to save money by firing one of two women

teachers — Taxman and Debra Williams — in its business department. Taxman, white, and Williams, black, were equally qualified and had started work at the same time. The board chose to retain Williams because it wanted, it explained, to expose high school business students to racial diversity.

In other words, Taxman lost her job because she was white. Legal experts on both sides agreed that the board would have a tough time in the courts when Taxman sued because her dismissal clearly failed to meet the criteria to be constitutionally valid. The board conceded it was not trying to remedy past discrimination, or compensate for the under-representation of minorities, both tests to justify its action. So its dismissal of the white teacher was constitutionally indefensible.

At first, the liberal Clinton Administration supported the school board — changing later, however, to a strategy for settlement in an effort to keep the matter away from the justices of the Supreme Court.

Black activist groups like the National Association for the Advancement of Coloured People and the Southern Christian Leadership Conference agreed and leaders like the Rev Jesse Jackson were given the task of finding the money from donors to settle the matter.

They did, but the names of the donors are confidential.

Equally determined activists on the opposing side — those who demand an end to all aspects of affirmative action — say the black groups have merely delayed the inevitable demise of affirmative action.



BLACK POWER: Reverend Jesse Jackson was given the task of raising funds to keep an affirmative action-related case from going to the US Supreme Court.

Mboweni's affirmative action Bill

(176) (2)

Sowetan 27/11/97

New law aims to end discrimination of the old job reservation policy

By Abdul Milazi

LABOUR Minister Tito Mboweni yesterday launched the Employment Equity Bill aimed at ending unfair discrimination in employment and providing for the implementation of affirmative action.

The Bill is Mboweni's *coup de grace* in his efforts to transform the labour market, and will go a long way in addressing the imbalances in the workplace created by the apartheid regime's job reservation policy for whites.

Mboweni said: "Statistics indicate that if we want to correct our skewed job market, we have to do more than simply outlaw discrimination. Our Constitution, which underpins our new democracy, has done that."

An affirmative action survey carried out in September this year noted that black senior managers increased by only 0,4 percent from 1992 to 1996.

Provisional figures from the 1996 census showed that women comprised 52 percent of South Africa's population, but occupied only 12,2 percent of

senior management posts.

"The situation is no less bleak for disabled people. Estimates suggest that one in five disabled people is economically active, but that only one in 100 has a job in the open market. And that most disabled people have to rely on social pensions and family support," said Mboweni.

Mboweni said the Bill balanced self-regulation by employers, who would develop their own equity policies, and enforcement of such plans and policies by the Government.

The Bill prohibits all forms of discrimination, based on the provisions of the Constitution, requires all companies with more than 50 workers to develop equity plans and contains enforcement measures and advisory mechanisms to ensure effectiveness.

This also applied to all organs of the State as employer, except for local government, the defence force, the National Intelligence Agency and the SA Secret Service. The equity plan should outline the company's employee profile and possible barriers to transformation.

COMMENT & ANALYSIS

Settlement a blow to affirmative action

THE US's struggle over affirmative action reached a watershed of sorts last Friday when it was announced that Piscataway Township Board of Education vs Taxman had been privately settled, and would not be heard before the Supreme Court next January, as had been scheduled.

The case had "landmark ruling" written all over it. The issue it represented, in abnormally crystalline form, was this: is it legal for employers, either public or private, to hire and fire on the basis of race without offering any justification more specific than an assertion that a "diverse" work force is intrinsically desirable?

The Supreme Court, in line with its recent precedents, would almost certainly have said "no", thus striking yet another blow to the idea that African-Americans and other minorities are — simply by virtue of group membership — entitled to preferential treatment in those areas, which is to say almost everywhere, subject to the writ of the federal government and its courts.

The civil rights organisations which champion this increasingly embattled idea were so concerned by the likely verdict that they took a most unusual step. They paid off the parties to the case to make them go away and shut up.

None other than the Rev Jesse Jackson led the drive to raise the necessary funds.

In 1989, Sharon Taxman, a white woman, and Debra Williams, a black woman, had been teaching business studies at Piscataway High School, in New York's New Jersey suburbs, for nine years. They had been hired

on the same day. Their qualifications were identical, as were their ratings for on-the-job performance and even for undertaking good work in the community.

That presented the school board with a dilemma when it was instructed to lay off one member of the business faculty for budgetary reasons. State regulations minimise the amount of discretion local authorities have in making retrenchments. The rule is last-in, first-out; the most junior person goes. Credentials may be taken in to account for tie-breaking.

Unhappily, the equally worthy, and Williams had been the last people to join the faculty. If they had both been of the same race, the board later conceded the issue would have been decided by the toss of a coin. In the event, the board voted to keep Williams.

Its decision was based in part on a set of affirmative action guidelines it had voluntarily adopted in 1983 laying down that in "every aspect of employment including layoffs" where a choice had to be made between individuals of equal qualification, those identified as minorities for the purposes of statistical reporting to the state education department should be preferred.

That was not the only consideration, however. As board president Theodore Kruse explained:

"We feel that our staff should be culturally diverse ... There is a distinct advantage to students to come into contact with people of different cultures, different backgrounds, so that they are more aware, more tolerant, more accepting, more understanding of people of all backgrounds."

Taxman promptly filed a complaint with the federal Equal Employment Opportunity Commission in Washington.

The commission's job is to enforce the section of the 1964 Civil Rights Act known as Title VII which enjoins employers, public and private, from discriminating against — choosing between — job applications or employees on the basis of race, origin, religion or gender unless they can show an unimpeachable cause for doing so.

Taxman's complaint led the department to sue the school board alleging a Title VII violation.

The administration saw an opportunity to reverse nearly three decades of judicial creep away from the plain meaning of the Civil Rights Act which forbade racial discrimination, towards a racially polarising interpretation which permitted discrimination in favour of groups deemed deserving. Taxman joined the suit, demanding back pay and reinstatement.

In late 1993, a federal judge in

Newark ruled in Taxman's favour. The school board, which had already rehired her, was ordered to pay her \$144 000 for lost earnings and "emotional distress". It appealed, as did Taxman, who was not happy with the judgment either. She felt she was owed punitive damages as well.

Meanwhile, the justice department, now controlled by the Clinton administration, switched sides and urged the appellate court to uphold the school board's right to choose by race in the name of achieving "diversity".

Last year, the Appeals Court ruled for Taxman. Referring to recent Supreme Court opinions in cases involving government contracts for minority business and race-based delimitation to increase minority political office-holding, the court held the school board's action would have been permissible only if it had been designed to remedy precisely identified past discrimination.

There was no evidence of that in the Piscataway school system.

"Indeed," said the court, "statistics in 1976 and 1986 showed that the percentage of black employees in the job category which included teachers exceeded the percentage of blacks in the available work force."

So it was on to the Supreme Court, which in June this year agreed to review the appellate

Recent court action has shown that the cause of preferential treatment for black people in the US is lost, writes **Simon Barber** in Washington

(176)

judgment. The administration, in another change of tack, urged the justices to ignore the case and simply let the appeal ruling stand.

This had nothing to do with the Clinton justice department, nor the civil rights organisations who inform its thinking on such matters, suddenly finding merit in Taxman's position.

What had become clear was that if the Piscataway school board was to persist in its quest for vindication, it would bring down on the heads of the supporters of race-based affirmative action a defeat even more devastating than California's Proposition 209, whose adoption last year by a multiracial majority has barred the state government from using race as a criterion for allocating any public good, from contracts to university admissions.

The Piscataway case is about the interpretation of the Civil Rights Act's employment discrimination clauses — which apply to both public and private employers. Many of the latter have voluntarily adopted affirmative action policies under which personnel managers, confronted with a choice between equally qualified candidates for employment or promotion, are required to favour those who contribute most to "diversity".

Were the US Supreme Court to say that the goal of "diversity" was

not sufficient grounds for preferring a black person to a white or Asian one with the same credentials, companies would start finding themselves being sued left, right and centre by those who feel themselves to have been wrongly "unpreferred".

For reasons ranging from altruism to foetal position self-defence, corporate America has become a staunch defender of affirmative action based on racial preference. Big business was very much behind the pro-affirmative action lobby's one recent victory — the rejection by Houston's voters of a Proposition 209-like referendum initiative — and also, when asked by Jackson, contributed much of the money needed to buy off the Piscataway school board and Taxman.

Not that it was a large sum as such sums go. All told, \$433 500 is to be paid to the board, of which \$186 000 will go to the teacher — her original court award plus interest — and the rest to her lawyers.

Supporters of racial preferences hope this will be enough to buy time until Clinton and the Democrat they pray will succeed him are able to put enough of their own appointees on the Supreme Court to ensure a friendly majority. In the meantime, they have effectively invited anyone who thinks he or she has a beef like Taxman — not to mention fee-and-fame-hungry lawyers — to pursue similar litigation. By paying "lush money" they have encouraged threats of noise.

But they know that. The truth is, they are desperate. Their cause is as lost as that of the pro-slavery South in the American Civil War.

EMPLOYMENT EQUITY BILL

(176)

Affirming a fait accompli

FM 28/11/97
 Business won't oppose Bill but would have preferred incentive approach

Bowing to the inevitability of legislated affirmative action, Business SA (BSA) says it will approach negotiations on the Employment Equity Bill in a spirit of optimism.

Despite an earlier bruising for opposing the new Basic Conditions of Employment law, BSA will seek consensus with labour and government over the Equity Bill when Nedlac begins haggling in late January, says BSA social policy vice-chairman and Sanlam human resource GM Vic van Vuuren.

Labour Minister Tito Mboweni was expected to unveil the Bill this week, after his department scurried to pull back a version inadvertently released by the government printer last Friday. It is understood, however, that the core provisions are basically the same.

The Equity Bill's key aims are to eradicate discrimination in the workplace, and speed up the training and promotion of the formerly disadvantaged.

Described by the Labour Department as "enabling and user-friendly," the Bill requires employers and employees in firms with a staff of 50 or more to negotiate equity programmes. These targets — as opposed to fixed quotas for the hiring of blacks, women and the disabled — must be presented to the department within 18 months of the law taking effect.

Contraventions could lead to an order from the Labour Court or fines of between R500 000 and R900 000. Policing will be carried out by a departmental inspectorate.

Though BSA opposed the Employment Equity Green Paper when it appeared last year, Van Vuuren says affirmative action is necessary given past discrimination.

"However, we felt it should instead take the form of codes of best practice, incentives and encouragement, as there is already enough union and other pressure," he says. "We will not oppose the legislation, but we do have a problem with the big stick approach; we see training and development of people as key to the success of employment equity."

There has been a progressive increase in the number of companies with affirmative action policies, says FSA-Contact. This year it found an estimated 75% of companies sampled had adopted one. Amamath Singh

Affirmative action staffers for Koeberg

TWEET GAINSBOROUGH-WARING

ARG 29/11/97 (176)

An aggressive affirmative action programme will ensure that half the top positions at the Koeberg nuclear power station near Melkbos will be filled by affirmative action appointees within three years.

But officials say the programme will not compromise safety standards at the power station.

Nuclear power stations, nationally and internationally, are governed by strict safety regulations applying to their operation and staffing.

Tony Stott, spokesman on nuclear matters for Eskom, said the power station had to follow Eskom's policy of ensuring that by

the year 2000, 50% of recruitments would be affirmative action.

He said the 50% target for affirmative action appointments was an overall figure for Eskom.

Koeberg fell under Eskom's generation of power section, he said, including hydroelectric stations.

Highly trained specialists are required to staff a nuclear power station, he said, and Eskom had recognised a shortage of people skilled in mathematics and physics.

To overcome this, Mr Stott said, Eskom had doubled the number of bursaries it usually awards to students at school and tertiary education institutions.

"Senior staff for the Koeberg

nuclear power station have been head-hunted and suitable candidates have also been sent overseas for additional training," Mr Stott said.

Mr Stott said operators at the power station had to be well trained and licensed.

In addition to complying to the power station's training requirements, potential staffers had to pass external examinations set by the Council of Nuclear Policy.

Mr Stott said Eskom did not have a policy of retrenching staff, but that under its policy of voluntary separation, staff close to retirement age and those with easily marketable skills had opted to take separation packages.

Bill heralds change

THE ARCHITECT of apartheid, Dr Hendrik Verwoerd, once said blacks should not expect to be anything but hewers of wood and bearers of water. Labour Minister Tito Mboweni is changing that - radically.

The launch of the Employment Equity Bill last week signalled the beginning of the final phase of Mboweni's transformation of the job market, which began with the Labour Relations Act passed last November.

The move also heralded sweeping changes that would see the eradication of inequalities in the workplace, created by the systematic discrimination against blacks by the National Party government and so well implemented by big business.

It is also bringing back the controversial debate on affirmative action, which has been seen as reverse discrimination by the white population, and carries a stigma for those blacks who want to be recognised for their abilities as opposed to their colour.

Mboweni did not pull any punches when he announced his intentions, saying he made no apologies for the fact that the Bill favoured blacks. He argued that whites still earned more than blacks who performed the same job and with the same qualifications.

Mboweni said 50 percent of the country's income went to whites, while 65 percent of blacks lived in abject poverty. Whites continued to dominate high-paying jobs, while blacks did menial jobs.

His main argument was that this skewed income distribution and inequality did not happen by accident, and has to be addressed through government intervention.

The new legislation uses a stick-and-carrot approach - employers who comply will be eligible for government tenders, while those who do not comply will not qualify.

While all employers will be required to ensure that their policies and practices are not discriminatory, those with fewer than 50 employees will be exempted.

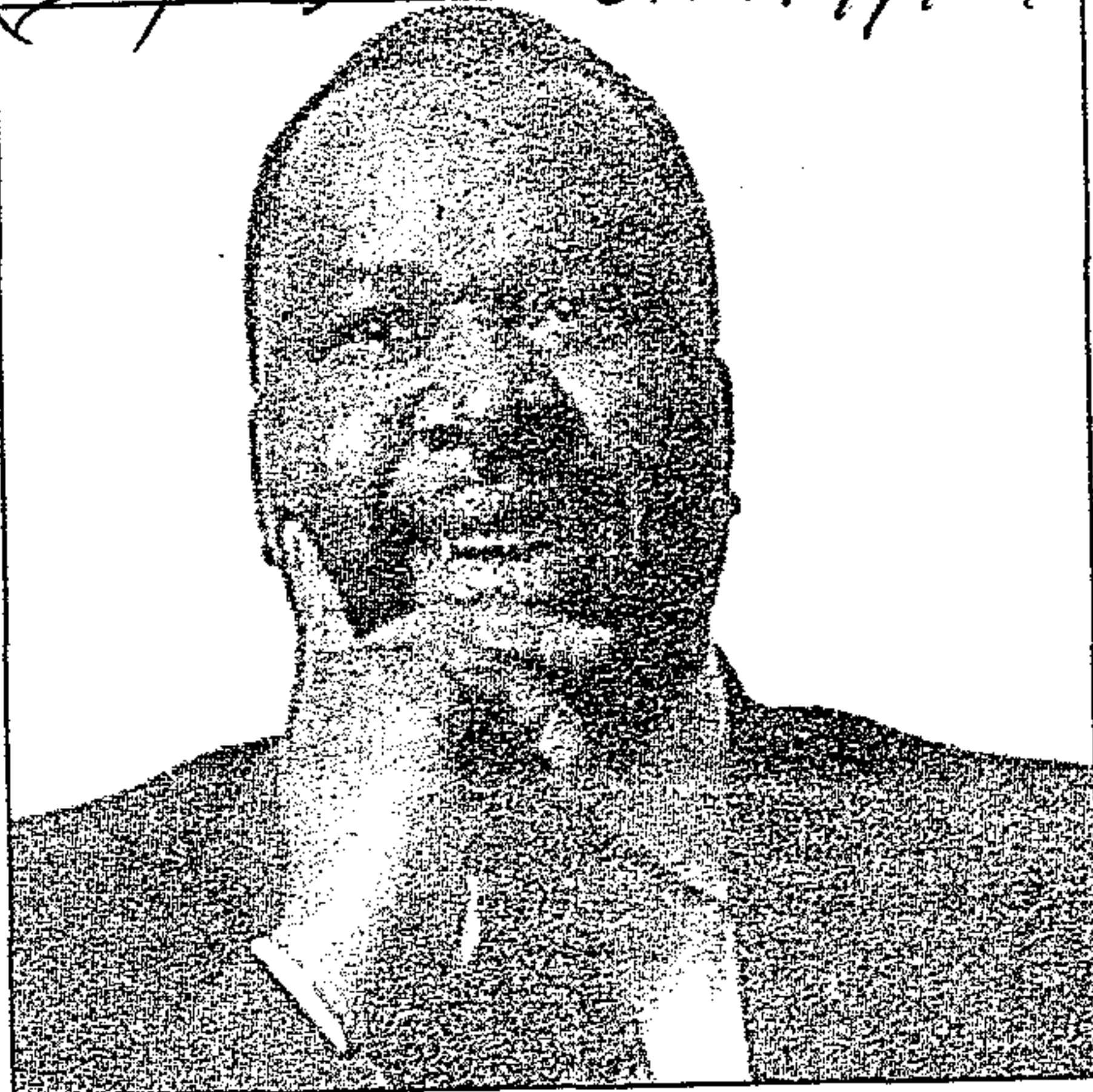
Mboweni, however, said that did not stop small companies from voluntarily complying with the requirements of the Bill, and from implementing their own affirmative action plans.

The Central Statistics Service estimates that there are 10 000 companies employing more than 50 people.

The Bill is specific in its requirements, and demands that these companies prepare a profile of their work force, review current employment practices and policies, and prepare and implement an employment equity plan.

Companies will also be required to submit a summary of their employment equity plans to

(176)
Although the Employment Equity Bill is set to address past injustices, it does not address black-on-black discrimination, explains Abdul Milazi



Labour Minister Tito Mboweni ... transforming the job market.

the Department of Labour, and report annually on the progress of their programme.

The Bill does not impose quotas, but lays the basis for consultation between employers, employees and trade unions. "This will enable the parties themselves to set goals and equity measures which are appropriate."

Collective

It builds on the role of existing collective bargaining and labour market institutions such as the Commission for Conciliation, Mediation and Arbitration, and also facilitates the establishment of a commission for employment equity.

The proposed commission will be made up of people from women's organisations, the disabled and the National Economic Development and Labour Council.

Mboweni said he does not see affirmative action as a permanent feature of the labour market. "That is why the Bill provides for a comprehensive review of compliance with its objectives and progress towards employment equity within seven years after it becomes law.

"However, we are not so naive as to think that so many centuries of oppression and discrimination can be eliminated in seven years. For as long as discrimination exists, so will

measures to prohibit it."

The Bill is the culmination of a consultative process which began in 1995 with the appointment of the Affirmative Action Development Forum, which drafted the Employment and Occupational Equity Green Paper last July.

Mboweni said some companies have addressed the racial ratio problem, but in a token way. "We do not want employers to make token appointments of black people, women and the disabled.

"We are not asking them to employ incapable people, but we are demanding they recruit from the widest possible pool of suitable candidates.

And we are asking them to go the extra mile in the interests of our country."

Mboweni said there was a sound economic reason for employers to accept the Bill.

"Every time we exclude someone from employment simply on the grounds of colour or gender or disability, we are throwing away our country's best resources, our people."

The Bill is almost watertight when it comes to discrimination by whites against blacks, but it still remains to be seen whether it will be able to address black-on-black discrimination because of its subtlety.

Contrary to popular belief, whites seem to enjoy more freedom, respect and promotion in black companies, especially at the lower levels. And blacks find it easier to get promotion in white companies. In black companies, discrimination is usually based on friendship or on the low esteem in which black managers regard their black subordinates.

However, the Bill nevertheless does make great strides in addressing South Africa's main problem - that of inequality.

Its effectiveness will, however, depend on the power of unions, as the legislation's enforcement mechanism leaves the employment equity plans and their implementation to employers and workers.

Small business sector warned on jobs equity

No protection for entrepreneurs

THABO MABASO
BUSINESS REPORTER

Small businesses discriminating against their black, disabled or women employees must not expect to be treated with kid gloves by the Government simply because they are exempted from certain provisions of the Employment Equity Bill.

Labour director-general Siphosiso Pityana said in an interview that the clause in the bill requiring companies to submit plans for affirmative action did not offer protection to discriminatory bosses.

Mr Pityana said that these companies will be forced to work out an equity plan with their employees and trade unions.

"If companies demonstrate a pattern of discrimination against their employees the department may deem

it necessary for them to compile a plan," Mr Pityana said.

The bill seeks to achieve employment equity in the workplace by eliminating discrimination. According to the bill companies must prepare a profile of their workforce and prepare and implement an employment equity plan, which has to be submitted to the department.

These companies must report to the department each year. Businesses who employ less than 50 people are exempted from working out an equity plan, but may not discriminate against employees.

The Department of Labour conceived the bill after what it says are shocking statistics of the demographics of South African managers.

Department figures show between 1992 and 1994 black senior managers increased only 0,4%. Women, who form 52% of the population, made up

12,2% of senior managers in 1996. A Breakwater Monitor survey found all female senior managers were white.

Mr Pityana said his department was going to convene a workshop early next year of labour market stakeholders, where they would be informed about the bill.

"We will go into the broad philosophy and policy thrust of the bill and how it will work," Mr Pityana said.

Government departments and state parastatals were expected to take the lead in implementing affirmative action, he added.

The bill does not set any quotas or timeframes for implementing affirmative action. However, companies who comply with the employment equity law will be judged favourably when applying for state contracts.

Companies who flout its provisions face a maximum fine of up to R900 000.

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ARG 2/12/97

Emerging business doubles its construction tenders

ADELE SHEVEL

Johannesburg — Participation by affirmative business enterprises (ABEs) in the construction industry had more than doubled from 16,5 percent of total value of public awards since 1994-95 to 37 percent this year, said Deen Letchmiah, the leader of the public sector procurement reform task team.

Discussing progress on the initiatives at a meeting of the Kwazulu Natal chapter of the Association of South African Quantity Surveyors in Durban, Letch-

miah said the increased participation was pleasing and that more construction contractors "were playing the game by genuinely involving ABEs".

A 38 percent participation by emerging business in a recently completed R180 million prison project near Cape Town was gratifying, he said. The figure would normally have been 5 percent.

The reforms stem from recommendations drawn up by the task team to restructure the tendering system to empower previously disadvantaged communities. The measures are designed

to drive affirmative action policies and spearhead good governance in applying accepted international procurement standards.

The reforms were motivated after the departments of finance and public works classified the former tendering system unacceptable because it benefited only a small group of established businesses and laid itself open to corrupt practices.

The green paper on public sector procurement reform is being formalised by the Office of the State Tender Board and is expected to be gazetted by next September.

Letchmiah said that before the reforms the involvement of black contractors in major contracts awarded to large contractors had been based on a handshake and goodwill.

Results had been poor and fell short of government's affirmative objectives. The new process ensured development of black people and black-owned companies through their participation in managing their input in contracts. This was achieved by all public works contracts above the value of R2 million being awarded on a points system.

ET (OR) 2/12/97

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Dawning of workplace equity

CT(BR) 5/12/97

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FRANK NXUMALO

Johannesburg — The Employment Equity Bill, the last of the big four "Mboweni bills" unveiled last week by Labour Minister Tito Mboweni, marks, albeit imperfectly, the dawn of an era of equitable industrial relations in a South African labour market distorted by decades of job reservations for whites and the pernicious victimisation of black workers, especially Africans, at the workplace.

The department of labour quotes the Central Statistical Service as saying 10 000 South African companies will fall under the category of "designated companies" — those that employ 50 or more workers and will be required by the new labour law to submit equity plans within 18 months after its promulgation.

That the bill seeks to redress the imbalances of the past dispensation by giving a legal framework to affirmative action or the accelerated advancement of designated groups is not "reverse discrimination", as self-appointed experts would have us believe.

This is evident in the preamble to the gazetted version by Mboweni, which says: "This legislation is drafted with a view to advancing those groups who have been disadvantaged as a result of discrimination caused by laws and social practices, and not with a view to seeking retribution for past injustices."

Affirmative action could go a long way in bridging the apartheid wage and grading gap and accessing mainstream economic participation by the black majority, including Africans, Indians, coloureds, women and the disabled.

Black Management Forum (BMF) representatives point out, perhaps cynically, that "there have always been blacks at the workplace, but right at the bottom" and argue for top black managerial positions as "real diversity".

The BMF also slammed the bill for allegedly seeking to tone down affirmative action, but Loyiso Mbabane, department of labour director of equal opportunities and a former member of the BMF, says he is "worried" the BMF is failing to take a "broader perspective" and to "rise above sectoral interests".

"The department of labour cannot



come up with a law whose sole purpose is the development of black managers. What about black artisans, workers, secretaries and the others? It is not correct to say that the Employment Equity Bill is silent on management. (It states) that companies must be equitable across all occupational categories and levels, horizontally and vertically," Mbabane said.

Mbabane says "it's very unfair" to dismiss such appointments as tokenism. At any rate, he says, the department can easily check that out in company equity plans and reports.

"Token appointees tend to occupy low-risk, low-profile positions such as public relations, human resources and social responsibility management, where the person takes decisions that do not affect company productivity and losses. It is very difficult to become a successful token in engineering, operations and finance where output is measurable and quality (or the lack of it) is easily picked up."

The BMF call for an "independent equity commission" as opposed to an "advisory" one provided for in the bill, is not viable and a potentially expensive proposition that could play into the hands of the right wing.

Neither does this proposition curry favour with the department.

"A call for an independent commis-

sion would have made sense in 1993 or 1994 when people did not yet have confidence in the government. Then there was doubt about how fast the new government would transform the country. To be on the safe side people wanted to ensure the commissions were independent.

"This government has the full mandate to rule, and the department of labour has proved itself to be the champion of the underprivileged," Mbabane said.

He said the equity commission was modelled on the basic conditions of employment commission, with full representation from labour, government and business.

The South African Chamber of Business's (Sacob) contention that the provisions of the bill will harm small business does not hold water. As Mbabane points out, there are thousands of highly profitable small businesses which have been exempted. However, although Sacob maintains that the provisions of the bill will be a heavy drain on small businesses, it concedes that it depends on how one defines "small business".

The contingency of government contracts upon compliance and the progressive-scale fines are designed to give teeth to the proposed new labour law.

"This law will be unbalanced if it does not enforce compliance," Mbabane said.

Forum attacks paper group

Sowetan Reporter

THE Independent Newspapers Group had shown a lack of commitment to transformation and affirmative action, the Forum of Black Journalists (FBJ) said yesterday. FBJ secretary Mr Oupa Ngwenya said: "While trade unions (in the media industry) have tried their utmost to make this process work, the company has shown a distinct lack of commitment to transformation and has been content with using the affirmative action structures as toy telephones."

He was commenting on the withdrawal this week of three trade unions from the Independent Group Gauteng's regional affirmative action structures which were put in place so that management and employees could jointly implement the process of transformation.

The Media Workers' Association of SA, the SA Union of Journalists and the SA Typographical Union pulled out of the structures, citing as their reasons alleged lack of commitment to transformation, and its continued practice of race and gender discrimination.

"This makes a mockery of the existence of the regional affirmative action monitoring committee and constitutes a glaring contradiction to the company's commitment to change as pronounced at the TRC media hearings two months ago."

"The FBJ fully supports the action of these unions as it has sent clear signals to the management of South Africa's biggest newspaper group that it cannot continue saying one thing and doing the opposite."

"It is time Independent Newspapers and other newspaper houses realised that transformation is not a public relations catch phrase. They need to show commitment to effecting real change in both their editorial and operational sides," Ngwenya said.

Empowerment stumbled, but the race goes on

(176)
By EMELIA SITHOLE

Star 20/12/97
Black empowerment in South Africa stumbled heavily in 1997, but analysts said this just signalled growing pains that would not halt efforts to advance the disadvantaged majority into the world of business.

High-profile disappointments were led by JCI whose shares have halved in value since investors, led by Mzi Khumalo, bought it from mining giant Anglo American last year to form the country's first black-owned mining house.

"Black empowerment has been an extreme disappointment this year. Some of the black-empowerment companies were not focused and were just buying up firms willy-nilly," said one corporate financier who declined to be named.

One clear exception to this trend was New Africa Investments Limited (Nail), co-led by former ANC stalwart Cyril Ramaphosa, whose plunge into the financial services sector has borne fat dividends.

Since the democratic elections in 1994, the country has seen a scramble by white corporate South Africa to embrace black partners, with banks eager to lend them money to foster a class of black entrepreneurs in the new South Africa.

Some have worked, some have faltered, but all have made a contribution towards the black community's business acumen, said corporate finance executive Chris Pretorius of brokerage Huysamer Stals.

"Based on historical apartheid, the black community was never given the chance to show its mettle in the commercial world. It's now a process of them going up the learning curve to get where they should have been many years ago," he said.

Blacks blocked from mainstream business by 46 years of apartheid rule have been eager to make up for lost time, seeing some successes as well as a large number of ignominious failures.

Molope Foods, Hosken Consolidated Investments Ltd and PepsiCo's New Age Beverages joined JCI in costing investors millions over the course of the year.

But analysts said JCI had left the worst taste. "JCI was the big one," one said.

Bought from Anglo last year at a premium to net asset value of R54,50 a share, the move was heralded as the first major crack at black empowerment in the mining industry - a bastion of white domination.

But the shine swiftly went off the deal. Its shares, dogged by a sickly gold price, touched a R16,25 low on November 24, and Khumalo and partner Brett Kebble have since faced stern criticism of their management styles and business judgment.

But good business principles, as well as sharp focus, were behind the success of Nail, which has established a strong base in life insurer Metlife and reaped healthy dividends from cellular network MTN.

Other analysts took a more measured view of the JCI and other travails, and said business problems were faced by any firm - black or white. "There will be setbacks but one must look at the bigger picture ... the more these deals can be done in a well-planned and executed way, the better they will be for all South Africans," said Pretorius. - Reuters

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'Let's make affirmative

Government sets medium-term target

YACOUB ABBA OMAR

There can be no better justification of President Mandela's recent criticisms of the South African media than the manner in which his extensive comments on transformation, and especially affirmative action, were almost completely overlooked.

In fact, his criticisms of the media and political parties were in the context of their opposition to "seeking to end the racial disparities which continue to characterise our society".

Mr Mandela also referred to "resistance to the transformation of the public service". He could justifiably have included business managers, as evidenced by the September 1997 FSA Contact survey, which found that "there has been a slight drop in the degree of commitment to affirmative action programmes from chief executive officers and senior and middle management".

The same survey found that in the three-year period to 1997, the number of black senior managers increased by only 2,3%, with a 1,6% increase among middle managers.

In raising transformation and affirmative action almost at the outset of his speech, Mr Mandela was giving

due notice of what is certain to become a central plank of the Government's programme for the next 15 months.

Two documents which spell out Government's intentions are the white paper on the Transformation of the Public Service and the Employment Equity Bill. The former takes the commitment of the SA constitution to a "public service broadly representative of the South African community" as its starting point.

The white paper emphasises the need for a proactive approach to achieve representivity and it commits itself to the strategy of affirmative action. The document sets out the following targets and time frames:

- Within four years all departments must be at least 50% black at management level.

- During the same period, at least 30% of new recruits to middle and senior management must be women;

- Within 10 years, people with disabilities should comprise 2% of the public service.

As far as the private sector is concerned, the Employment Equity Bill places South Africa in the camp of Scandinavian countries, where legislation emphasises the autonomy of the collective bargaining process and allows the law to play an enabling role.

Employers would have to submit plans within 18 months of the legislation coming into effect (which will probably be in the first half of 1998).

Companies then will have to submit plans on an annual basis until they have reached their targets.

Failure to comply could result in companies being disqualified for state tenders and facing hefty fines

or even labour court orders to ensure compliance. Businesses should be grateful that the Government did not opt for the Australian approach, where comprehensive legislation outlines an eight-point plan for gender equality.

In his speech, Mr Mandela referred to some of the reasons cited by opponents of affirmative action. These included "racism, violation of

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'There has been a slight drop in the degree of commitment to affirmative action'

Why graduate quit lucrative but 'cosmetic' appointment

Harvard MBA graduate and internationally experienced investment banker Majakathata Mokoena had great plans when he was recruited by one of the country's top financial institutions (he agreed to be interviewed if the institution was not named).

He said his hopes of making a useful contribution to that institution were dashed when he realised his was an affirmative action appointment.

This ensured he earned a fantastic salary, but contributed little to the running of the business.

Mr Mokoena was a student leader during the Soweto uprising.

After 17 years overseas, he returned in 1994 with a degree in politics and economics from Amherst College in the United States, an MA degree in international studies from Johns Hopkins University and a Harvard MBA.

He said he quit his job in anger because it was obvious he was there for cosmetic purposes.

"I do not know what they expected, and was convinced all they wanted was a high-profile black.

"I had studied at the best institutions abroad and worked for global blue-chip companies, so I met their requirements easily," he said.

Mr Mokoena said his salary was R10 000 more than his previous post, but there were no expectations set for him.

"My training requires me to perform and assume leadership functions, but here I was not given any opportunities to play an active part in the affairs of the company.

"I was shut out and some of my ideas were taken, but I was not given

Apartheid may be a r... still rule the roost in r...

Three years into democratic rule intended to bring about a major transformation in South African life, our workplaces have changed very little.

While companies constantly blow their trumpets about effecting transformation in their workplaces, the reality is that the upper echelons of corporate power remain white: there has been scant movement towards redressing workplace inequalities.

Real progress seems to have occurred only in the public service, where blacks (defined in this context as Africans, Indians and coloureds) now make up half of the employees.

A survey by the University of Cape Town's Breakwater Monitor Unit found that white corporations had devised ingenious methods to stay ahead by establishing front companies with African names, but with no black executives.

Alternatively, they have set up businesses with ghost black directors who never work there.

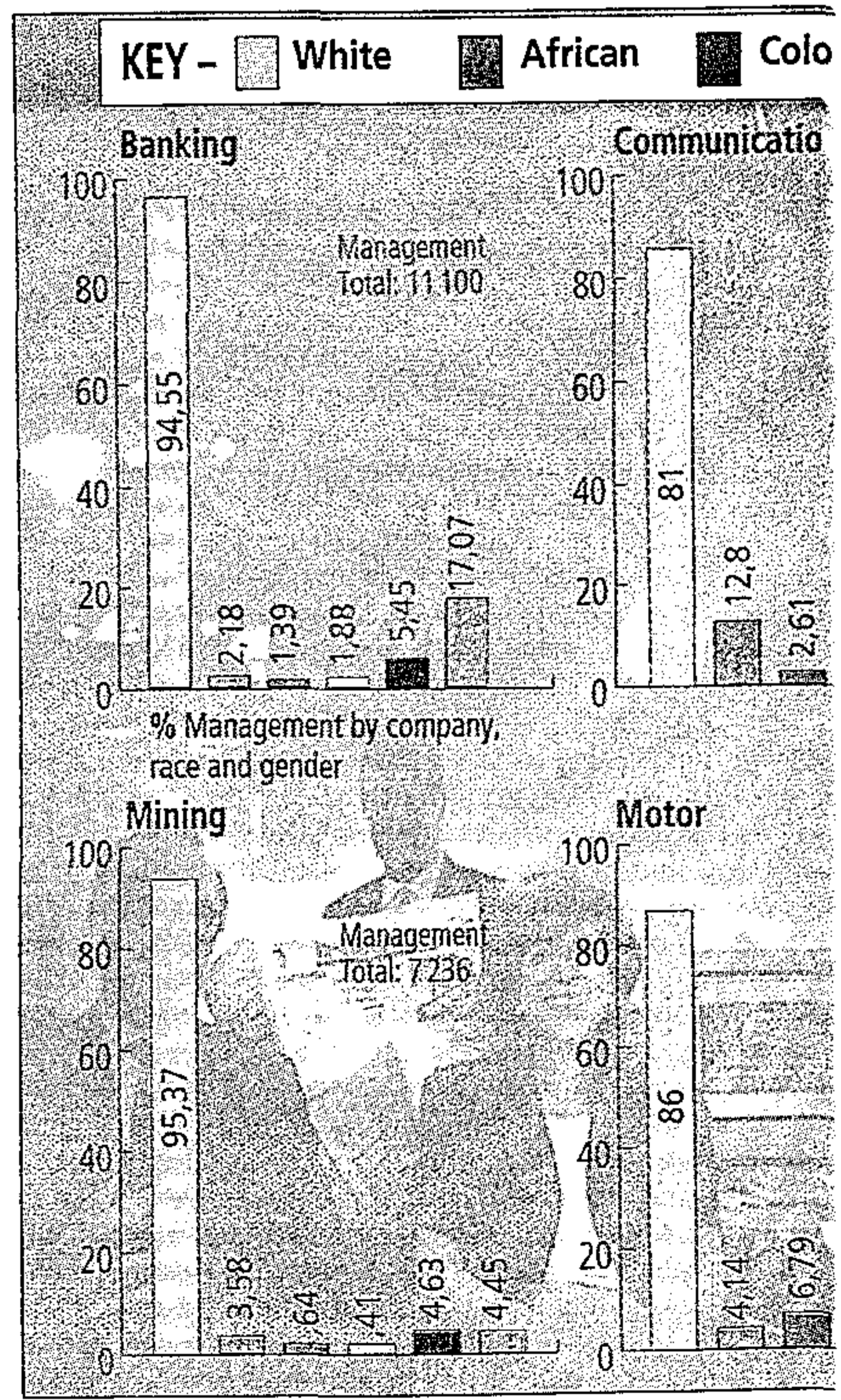
Some white companies hire freelance black professionals to attend tender bids on their behalf.

The survey found that blacks were landing jobs as tellers, junior clerks and in other visible high-profile positions, but that few inroads were being made in real decision-making roles.

The truth, according to the study, is that whites still occupy most decision-making positions.

The study of 153 companies by the Breakwater unit found that, of 51 413 managerial positions, whites held 87% of them - compared with 6% of Africans, 3% of coloureds and 4% of Indians.

The study cut across banking, building and construction, commu-



their white counterparts.

Angus Bowmaker-Falconer and Gordon Day, who compiled the study, said policies and legislation aimed at employment equity were urgently needed, since income distribution in South Africa was among the most unequal in the world.

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Proponents of affirmative action need to examine the validity of the claims made by critics. A key criticism is that preferential programmes, despite being described as temporary, often persist and expand their scope. Malaysia is cited as an example, where affirmative action for the Malay majority has been on the statutes for almost three decades.

Also, critics argue, what were initially targets become quotas, which preferred groups resist having removed.

The other problem is that such affirmative action programmes have tended to favour those already more fortunate. Thus, better off African-Americans have been able to make better use of affirmative action programmes than the rest of the community - widening the gap between the rich and the poor.

Critics claim that affirmative action incites reaction from non-preferred groups. Anecdotal evidence already shows that in some areas in South Africa, Indians and coloureds

are beginning to feel overlooked because affirmative action has been applied to exclude them.

The problem with the critics is they rarely come up with any useful alternative programmes to be followed. Also, they prefer overlooking the beneficial effects of affirmative action - such as creating a sizeable black middle class in the US, pushing women (few as they may be at the moment) through the glass ceiling, and so forth.

South Africa can begin taking steps now to avoid making affirmative action counter-productive. For one, it can emphasise an "expanding opportunities" approach. This should serve as an adjunct to the present affirmative action programme and can begin superseding it around 2001.

The key motivation for this approach is:

■ By then, a number of affirmative action targets would have been reached because of the trained sections of the targeted groups being

absorbed into the economy.

■ By 2001, inequality will be due to factors outside the labour market, such as lack of training or inadequate child-care facilities.

■ Assuming that our economy will continue growing, more qualified personnel from these targeted groups will be required. It is at this point that other countries have made the mistake of allowing cronyism and nepotism to persist and thus give such programmes a bad name.

■ To avoid this, South Africa will have to address the various obstacles to entry into the labour market - be it in training, covert discrimination and so forth. Thus, an expanding opportunities approach should come to replace affirmative action - ending the "numbers game" that many of its proponents also would like to avoid.

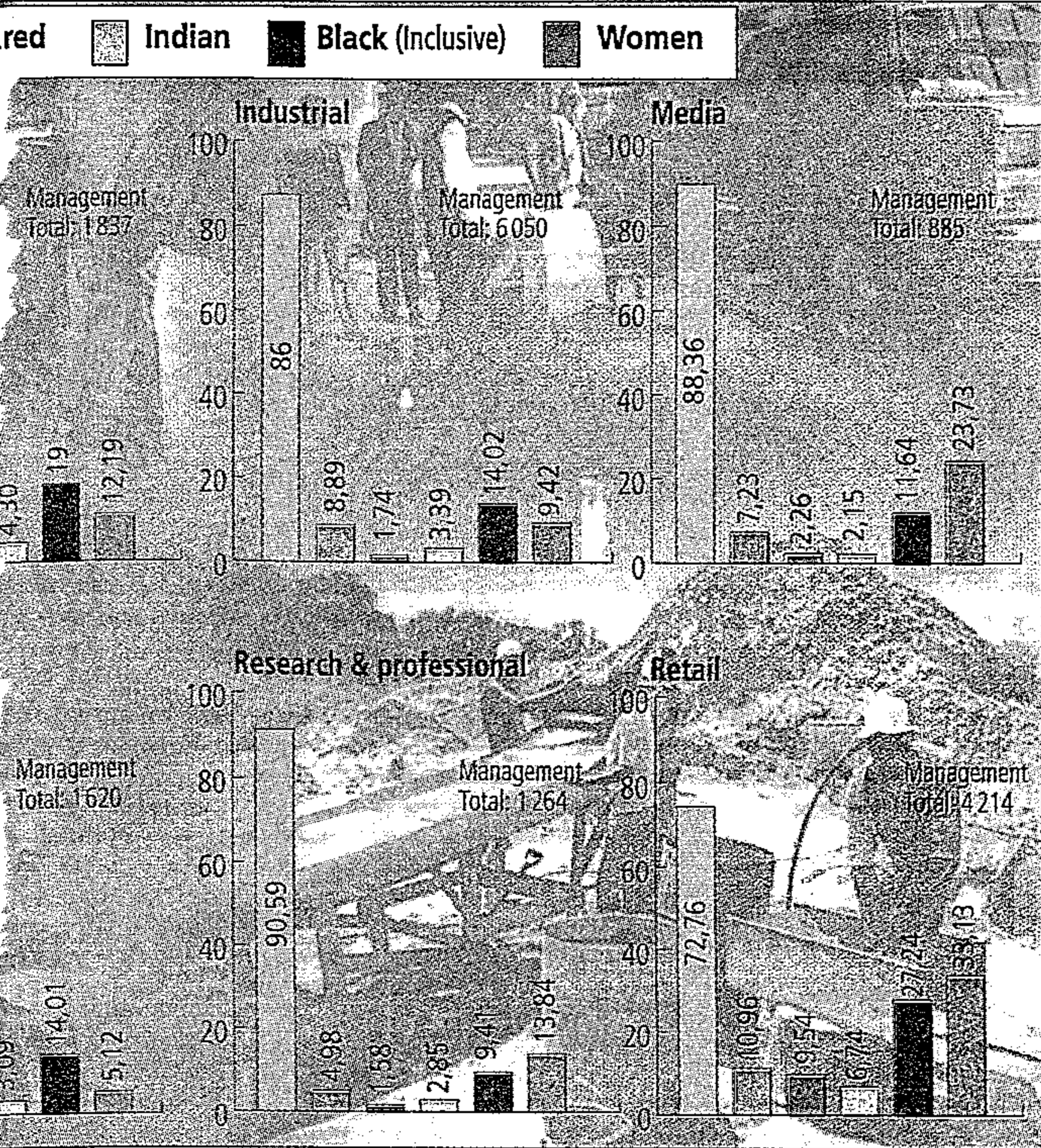
The public service white paper has alluded to this approach and the legislation on basic conditions of employment and labour relations can give effect to it.

■ *Yacoob Abba Omar is the general manager: communications at Armscor. This article was written in his personal capacity and is based on a paper presented to an Idasa/International Sociological Association conference*

'Companies will have to submit plans on an annual basis until they have reached their targets'

emory, but whites lost companies

Blacks thin on ground in media management



Chances are that if you work as a manager in the information technology or information systems fields, you're white. The IT and IS fields come bottom of the class in the affirmative action stakes, with only 12% of positions in management positions filled by blacks, 3% of them Africans.

And, in spite of claims that the media were becoming increasingly representative of the "new South Africa", the survey found that management in the major media groups taking part in the survey, including Independent Newspapers' Gauteng, Cape and KwaZulu Natal operations, were 88,4% white.

Of the 885 individuals involved in management in the media around the country, 7,2% were African, 2,3% coloured and 2,1% Indian.

The findings by the University of Cape Town's Breakwater monitor unit show white management hogging 78% of the positions in the financial/accounting or legal and administration professions, 72% in technical fields, 75% in marketing and sales, 76% in human resources and industrial relations, 82% in community/public relations/corporate affairs and social investment and 77% in other professions.

The survey said it often had been claimed that blacks were predominantly employed in marketing, sales and human resources, but the findings show that black representation in these fields was below 20%.

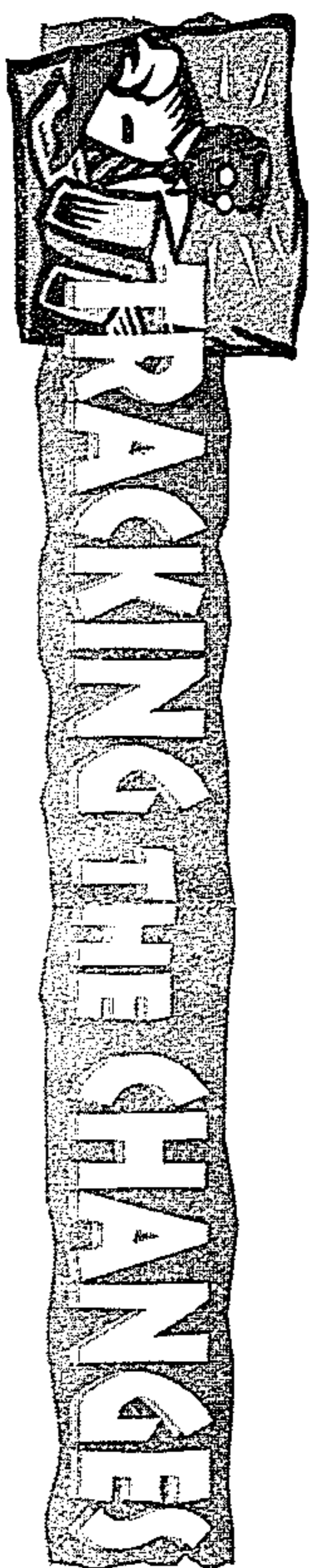
The survey found that 17% of Africans were employed in marketing and sales, 16% of coloureds in technical and engineering and 5% Indians in financial, legal and administration. Women make up 38% of

business South aren said while e Breakwater hange, the real e staff training orations would ew years' time. rnative action

Lot Ndlovu, president of the Black Management Forum, said merit, often used as an excuse by companies not wanting to employ blacks, was a highly subjective criterion for analysing a candidate's suitability for a post, given that everyone had a different world view.

such thing as the best man for the job. It's all in the imagination. The truth is, somebody liked you, somebody gave you an opportunity and then you have to earn that break."

The head of UCT's South African labour development research unit, Francis Wilson, said the Govern-



here can be no better justification of President Nelson Mandela's recent criticisms of the South African media than the manner in which his extensive comments on transformation, and especially affirmative action, were almost completely overlooked.

Get going on affirmative action

Critics slam the programme but do not suggest other means to redress imbalances, writes Yacob Abba Omar

In fact, his criticisms of the media and political parties were in the context of their opposition to "seeking to end the racial disparities which continue to characterise our society".

President Mandela also referred to "resistance to the transformation of the public service". He could justifiably have included business managers, as evidenced by the September 1997 FSA Contact survey which found that "there has been a slight drop in the degree of commitment to affirmative action programme from chief executive officers and senior and middle management".

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Failure to comply could result in companies being disqualified for state tenders and facing hefty fines or even labour court orders to ensure compliance. Businesses should be grateful that the Government did not opt for the Australian approach, where comprehensive legislation outlines an eight-point plan for gender equality.

In his speech, President Mandela referred to some of the reasons cited by opponents of affirmative action. These included "racism, violation of the

constitution, nepotism, dictatorship, inducing a brain drain and frightening off foreign investors."

Writing a few years ago, SA academic Pierre Hugo advised whites not to get into a "sultron retreat" when it came to making a contribution towards achieving representativeness. The fact that the appointments pages remain full of announcements of white appointments to senior posts shows that opponents of affirmative action have had little to complain about to date.

In fact, for those whites horrified by the atrocities revealed through the TRC, affirmative action is an opportunity for helping overcome the effects of the past which they claim they had no hand in or knowledge of. Affirmative action is applied in many countries worldwide and, critics of this policy are to be found in many countries as well.

It is important that the strategy of affirmative action is not seen as one which belongs to the developing world. Apart from Australia and the Scandinavian countries, the US, France, Germany and the UK have legislation which is aimed at overcoming the inequalities in their societies.

Proponents of affirmative action need to examine the validity of the claims made by critics. A key criticism is that preferential programmes, despite being described as temporary, often persist and expand their scope. Malaysia is cited as an example, where affirmative action for the Malay majority has been on the statutes for almost three decades.

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(176) Star 24/12/97

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To avoid this, South Africa will have to address the various obstacles to entry into the labour market - be it in training, covert discrimination and so forth. Thus an expanding opportunity approach should come to replace affirmative ac-

tion - such as creating a sizeable black middle class in the US, pushing women (few as they may be at the moment) through the glass ceiling, and so forth.

South Africa can begin taking steps now to avoid making affirmative action counterproductive.

For one, it can emphasise an expanding opportunities approach. This should serve as an adjunct to the current affirmative action programme and can

ending the "nurn game" that many of its proponents would also like to avoid.

The public service white paper has alluded to this approach and the legislative basic conditions of employment and labour relations give effect to it.

It is true that this approach will be costly, but, as research has shown, the costs of preferential programmes will be perceived immediately whereas the benefits will be delayed.

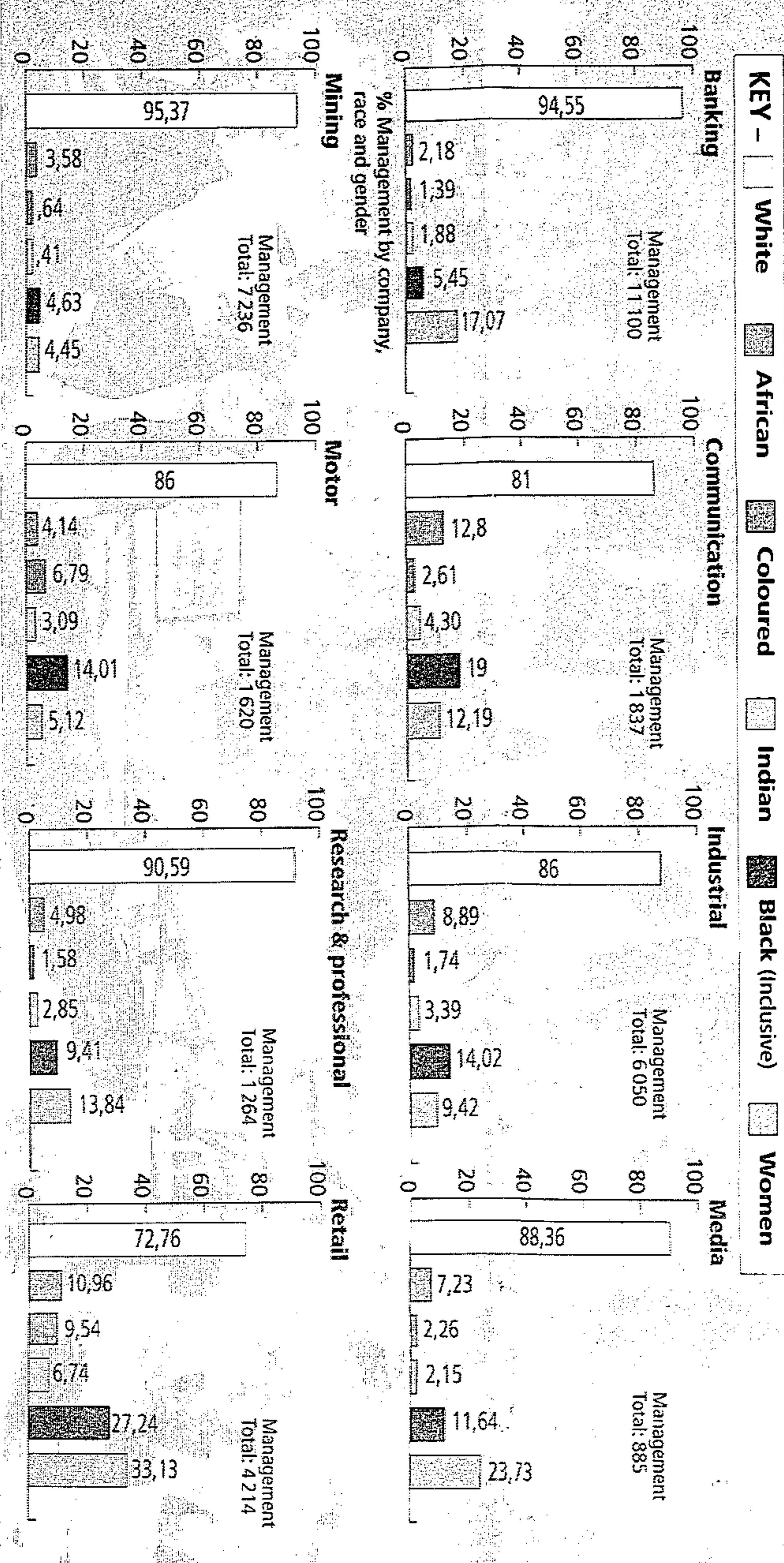
By placing such an approach on the agenda South Africa will avoid targets becoming quotas.

It will also ensure that the South African society can bear the burden of redressing imbalances of the past - just white males.

It must keep the focus on lifting the "truly disadvantaged" by introducing class-based criteria for those who benefit from such programmes.

The employment equity mission envisaged in the Employment Equity Bill should ensure that covert discrimination - often a barrier for women - is steadily reduced and stamped out.

Yacob Abba Omar is the general manager, communications at Arnson. This article written in his personal capacity and is based on a paper presented to a recent Idasa/International Sociological Association conference.



Harvard graduate 'sidelined', so began his own business

Harvard MBA graduate and internationally experienced investment banker Majakathata Mokoena had great plans when he was recruited by one of the country's top financial institutions. (He agreed to be interviewed if the institution was not named). He said his hopes of making a useful contribution to that in-

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Not much movement in transforming workplaces

By Edwin Mandy

Three years into democratic rule intended to bring about a major transformation in South African life, our workplaces have changed very little.

While companies constantly blow their trumpets about effecting transformation in their workplaces, the reality is that the upper echelons of corporate power remain white: there has been scant movement towards redressing workplace inequalities.

Real progress seems to have occurred only in the public service, where blacks (defined in this context as Africans, Indians and coloureds) now make up half of the employees.

A survey by the University of Cape Town's Breakwater Monitor Unit found that white corporations have devised ingenious methods to stay ahead by establishing front companies with African names but with no black executives. Alternatively, they have set up businesses with ghost black directors who never work there.

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The study of 153 companies by the Breakwater unit found that, of 51 413 managerial positions, whites held 87% of them - compared with 6% of Africans, 3% of coloureds and 4% of Indians.

The study cut across banking, building and construction, communication, financial, media, mining, motor, oil, paper and packaging, research, professional, retail and transport sectors. Where blacks are making inroads in the private sector, their jobs and salaries are considerably lower than their white counterparts.

Angus Bowman-Falconer and Gordon Day who compiled the study, said policies and legislation aimed at employment equity were urgently needed, since income distribution in South Africa was among the most unequal in the world.

Blacks, and black women in particular, were clustered at the bottom of the scale while whites earned high incomes. Close to half of black women, a quarter of black men and fewer than 5% of whites were among the unemployed in the country.

However, Business South Africa's Vic van Vuuren said while surveys such as the Breakwater study showed little change, the real picture was that the staff training efforts of

many corporations would be realised only in a few years' time.

He added that affirmative action programmes in the various industries differed greatly and that most companies had instituted some form of programme to bring about equity in the workplace. "We are doing a great deal, but I agree that it is not enough and more has to be done."

Lot Ndlovu, president of the Black Management Forum, said merit, often used as an excuse by companies not wanting to employ blacks, was a high subjective criterion for analysing a candidate's suitability for a post.

"We want to employ people we are comfortable with, people like us. If this person behaves like you, smokes the same cigarette as you, plays the same game as you, you see more merit in the person," he said.

Ndlovu said there was "such thing as the best man for the job. It's all in the imagination. The truth is, somebody liked you, somebody gave you an opportunity and then you have to earn that break."

The head of UCT's South African labour development search unit, Professor Frank Wilson, said the Government was "clearly having difficulty in formulating an affirmative action policy to which it could stick and that the private sector was also displaying 'racist' by its failure to date to implement tangible programmes.