

# POVERTY - MINIMUM LIVING STANDARD

1981 - 1985

- Footnotes Leather Industry RSA, Tanning Section
1. Area Change White River added in September 1974.
  2. General Note on Job Categories Definitions of job categories are long and have had to be abbreviated. Abbreviations have only been footnoted where necessary.
  3. Gr A Shving / Whing Refers to Grade A operators of shaving and whitening machines.
  4. Gr B 1st Gr Tblnd Refers to Grade B employees employed as first grade tablehands.
  5. Gr B Op Flshng etc Refers to Grade B employees employed as first grade tablehands.
  6. Gr B Op Glazing etc Refers to Grade B employees operating glazing and other machines.
  7. Parties to Agreement The Southern Cape Leather Industries Association party to agreement until June 1976.
  8. Op Cutting Refers to employees engaged in the cutting to patterns of upholstery leather.
  9. Op Pattern Mk/Cutler Refers to Grade B employees operating glazing and other machines.
  10. Op Ironing etc Includes shearing and/or combing.
  11. Storeman Includes Warehouseman, despatch clerk.
  12. Asst Storeman Includes assistant warehouseman.

LEATHER INDUSTRY RSA, TANNING SECTION

Parties Employer Organisations: South African Tanning and Leather Association; Transvaal Footwear Tanning and Leather Trades Association

Trade Unions: National Union of Leather Workers; Transvaal Leather and Allied Trades Industrial Union

Area

Magisterial Districts of the Cape, Wynberg, Paarl, Stellenbosch, Oudtshoorn, Wellington, Mossel Bay, George, Uitenhage, Kirkwood, Barberton, Port Elizabeth, King William's Town, Durban, Pietermaritzburg, Pretoria, Johannesburg, Krugersdorp, Heidelberg (TVL), Brits, White River, Witbank, Nigel, Germiston and Bloemfontein

~~STAFF~~  
Project to  
(242) STAFF  
bring milk  
11/12/85  
to destitute

Consumer Reporter

The National Co-Operative Dairies (NCD) has launched a milk relief project aimed at giving away a million litres of milk to destitute families within its marketing areas.

More than 100 000 litres of milk are being handed over to various charitable organisations at the A W Muller stadium at the Onderwyskollege Goudstad in Johannesburg today

Simultaneously, milk powder will be given to a welfare organisation in Durban.

The project was announced in a statement by Mr Hannes Besselaar, a Northern Cape farmer and chairman of NCD, and Dr M N Hermann, general manager (operations) of NCD

All NCD members have been asked to donate milk.

# SATS ~~332~~ hands <sup>242</sup> STAR ~~332~~ 11/12/85 over food

Food worth thousands of rands collected for the needy was handed over to the Department of National Health and Population Development by the South African Transport Services (SATS) at a function in Johannesburg yesterday

The food collection project, "Operation We Care", was launched by the SATS, with the help of welfare organisations, about a month ago

Accepting the food from SATS' general manager, Dr EL Grove, the department's regional director, Dr W J Lindeque, said the donation would be a tremendous help as it would feed about 200 000 people

The SATS has decided to make the "Operation We Care" containers available to any organisation which wants to collect food for the needy

It will deliver and remove the containers free of charge

For more information contact the Director (Public Relations), South African Transport Services, Private Bag X47, Johannesburg 2000, or on (011) 773-2208

STARR  
18/12/85  
**Helping the 'twilight children'** 242

The Twilight Children Organisation is appealing for more funds in order to reach its target of R200 000 by March next year

The organisation was set up in August last year to provide food and clothing for the child beggars, known as the "twilight children", who roam the streets of Johannesburg at night

The children sleep in gutters and dustbins, sniff glue and drink alcohol, and get money by begging or stealing

The organisation tries to persuade the children to come to weekly meetings where they are given a bath, nourishing food, clothing and much-needed attention

People wishing to contribute, should phone Mr John de Villiers at (011) 783-1019.

# Black Sash warning on unjust taxation system

STAR 11/12/85

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The Black Sash hopes that those people who are tempted to sign the petition being circulated by Public Tax Action will think twice before doing so. It calls for the abolition of personal income tax and its replacement by a tax on consumption (GST).

If personal income tax were to be abolished an additional R7 billion would have to be found at current levels of government spending. GST would, therefore, have to be almost doubled.

A tax on consumption might be equitable in a society where no one has an income below the Household Living Level, but it cannot be just when there are such extremes of wealth and poverty.

Reform of the taxation system must begin with the principle that there should be no taxation without representation. The black majority in this country has no representation in the central structures of government

## READERS' VIEWS

where the decisions are made as to how revenue will be spent.

It is wrong that PAYE is being deducted from the wage packets of black workers who have no vote. It is wrong that black people are forced to pay GST.

It would be even more unjust were they to be expected to pay increased levels of GST in order to relieve the wealthy of their tax burden.

National President  
Johannesburg

Sheena Duncan

SEE LETTERS  
Page 24

**Hunger relief  
for 450 Tv/AC  
white families**

242  
About 450 white families in the southern Transvaal are receiving hunger relief from the Nederduitse Gereformeerde Kerk.

A spokesman said families in need were identified either by ministers or by church and social workers.

He said that most people receiving aid were NGK members. The church also helped non-members where needed.

The feeding effort in the southern Transvaal area was being co-ordinated by 11 branches which worked with local churches.

The NGK's relief operation has been boosted by several generous donations of food from Transvaal farmers, including 13 tons of fresh produce, and a dairy group has provided powdered milk.

— Pretoria Bureau.

More than R17 million spent by charity organisations and Govt on food alone

SPAR 6/2/85

# 3 million hungry in SA

(242)

By Colleen Ryan, Pretoria Bureau

Massive hunger relief projects in South Africa have provided food for at least 1 million people this year — but charity organisations are being flooded with appeals for more aid as a result of the poor economic conditions.

By the end of the financial year in March 1986, Operation Hunger, World Vision and the Government will have spent a total of well over R17 million on food alone.

The director of Operation Hunger, Mrs Ina Perlman, said there were at least 3 million people in the country whose nutrition was below the medically accepted standard. There were constant appeals for help from poverty-stricken communities.

She said Operation Hunger had received requests to feed a further 233 000 people, in addition to the 652 000 currently receiving help. About R5,5 million had been spent on food this year and about R600 000 on self-help schemes.

World Vision of Southern Africa has experienced a 30 percent increase in appeals for aid in the last four months, said the organisation's marketing director, Mr Dave Cuthbert.

He said World Vision would expand its 179 self-help and feeding projects by 67 next year. The total budget will be R7,2 million.

Earlier this year the Government announced R20 million in emergency aid for the hungry.

In the last few months the State has allocated R4 million of this money for hunger relief schemes and will spend a further R6 million before the end of the financial year in March 1986, said the chief director of laboratory services for the Department of National Health and Population Development, Dr Colin Cameron.

## Control boards

The control boards have also contributed to the feeding effort this year by providing subsidies on surplus food worth at least R1,5 million. According to the Department of Agriculture, food provided included:

- One million tons of surplus powdered milk has been made available at a subsidised price, at a cost of R1,5 million to the Dairy Board
- The Potato Board has sold more than 34 000 15 kg bags of potatoes at subsidised prices
- The Dry Bean Board has donated to Operation Hunger 10 tons of beans while the Banana Board has donated 4 300 20 kg boxes of bananas to the hungry

Operation Hunger also received apples worth R250 000 from the Deciduous Fruit Board

8 111 1 85  
 the cost of food, clothing, fuel, rent, cleaning materials and transport to work for one breadwinner. Expenses like tax and medical costs are excluded.

The institute says its results are "surpris-

ing" given that the cpi increase for lower income groups for the same period is 5,7%. It says the low HSL increase may be partly due to a series of price hikes which came into effect on April 1 this year (fuel, transport, sugar and gst) and were included in its March update. However, it also says that increases in the cost of items which are now exempt from gst was, generally speaking, low in all centres. And prices were generally even lower for items such as meat, fish, milk powder and vegetables — which are major contributors to the total cost of the food basket.



### HOUSEHOLD SUBSISTENCE LEVEL (September 1985)

CENTRE	HSL	% Increase since	
		Sept 1984 (12 mths)	March 1985 (6 mths)
<b>CAPE TOWN</b>			
Blacks	332 79	7 7	-0 1
Coloureds	347 05	8 0	-1 8
<b>PORT ELIZABETH</b>			
Blacks	332 41	8 1	2 5
Coloureds	340 03	7 7	1 4
<b>EAST LONDON</b>			
Blacks	321 10	6 2	4 1
Coloureds	332 42	8 9	5 9
<b>KIMBERLEY</b>			
Blacks	335 64	7 2	2 8
Coloureds	365 60	11 3	5 4
<b>DURBAN</b>			
Blacks	339 10	14 0	4 1
Coloureds	366 12	16 7	3 0
Indians	401 02	18 1	3 7
<b>PRETORIA</b>			
Blacks	358 53	13 2	4 2
Coloureds	379 01	11 7	3 0
<b>JOHANNESBURG</b>			
Blacks	365 93	11 9	3 7
Coloureds	389 30	14 8	2 1
<b>BLOEMFONTEIN</b>			
Blacks	340 11	13 8	7 5
Coloureds	353 16	14 2	4 8
<b>KING WILLIAM'S TOWN</b>			
Blacks	303 27	4 1	3 9
Coloureds	320 74	1 9	4 8
<b>UITENHAGE</b>			
Blacks	336 73	8 6	3 6
Coloureds	316 35	7 6	1 2
<b>QUEENSTOWN</b>			
Blacks	338 22	9 3	4 2
Coloureds	349 65	17 7	8 2
<b>MARITZBURG</b>			
Blacks	318 68	—	6 8
<b>UMTATA</b>			
Blacks	305 40	7 4	2 5
<b>PEDDIE</b>			
Blacks	270 79	7 7	6 0
<b>BENONI</b>			
Blacks	313 32	6 0	1 6
<b>BOKSBURG</b>			
Blacks	326 23	10 0	4 8
<b>BRAKPAN</b>			
Blacks	344 27	11 0	4 2
<b>GERMISTON</b>			
Blacks	340 16	13 1	6 0
<b>SPRINGS</b>			
Blacks	330 09	7 0	2 6
<b>KRUGERSDOORP</b>			
Blacks	348 38	11 0	4 3
<b>VAAL TRIANGLE</b>			
Blacks	363 79	10 2	5 6
<b>BRITS</b>			
Blacks	323 62	12 4	5 0

#### LIVING STANDARDS

### A low HSL increase

The Household Subsistence Level (HSL) for black and coloured families in the five major urban areas rose, on average, by a low 2,9% and 1,6% respectively in the last six months. This is the finding of the University of Port Elizabeth's Institute of Planning Research which conducts the HSL survey twice a year.

The HSL is the theoretical monthly income required by a black family of six and a coloured family of five to maintain living standards at a set minimum level. It includes



(242) Stan 5/11/85

# Household subsistence level rises by more than 100pc

The general household subsistence level for a black family of six rose from R130 a month in April 1976 to more than R300 a month this September for the five major centres, a university survey has found

And the Port Elizabeth University's Institute for Planning and Research survey predicts that the average subsistence level for a black household in Cape Town, Port Elizabeth, Johannesburg, Pretoria and Durban will rise to R453 a month by October 1988 — provided the inflation rate remains constant

The institute updates its household subsistence level survey of black, coloured and Indian families every six months

The latest survey was done in September. It was found that following the previous six months of hefty increases in the cost of living, the last six months showed relatively few increases despite an increase in the consumer price index of 5,7 percent.

The survey found the price of items exempted from general sales tax was low and for some items such as meat, fish, milk powder and vegetables, prices were generally lower than in the previous six months.

## LOWER INFLATION

Viewed during the past year the cost of living for black families rose on average by 11 percent and for coloured families by 12 percent, which is lower than the inflation rate of 16,4 percent for urban centres and 14 percent for lower income groups

In the third quarter of this year Johannesburg was the most expensive centre for black families, with a monthly subsistence level of R365, followed by the Vaal Triangle (R363) and Pretoria (R358)

Benoni (R313 a month), Pietermaritzburg (R318) and East London (R321) were the cheapest places for a black family to live. Durban (R339), Cape Town (R332) and Port Elizabeth (R332) were in the middle

There is a noticeable variation in the cost of living for black families living on the East and West Rand

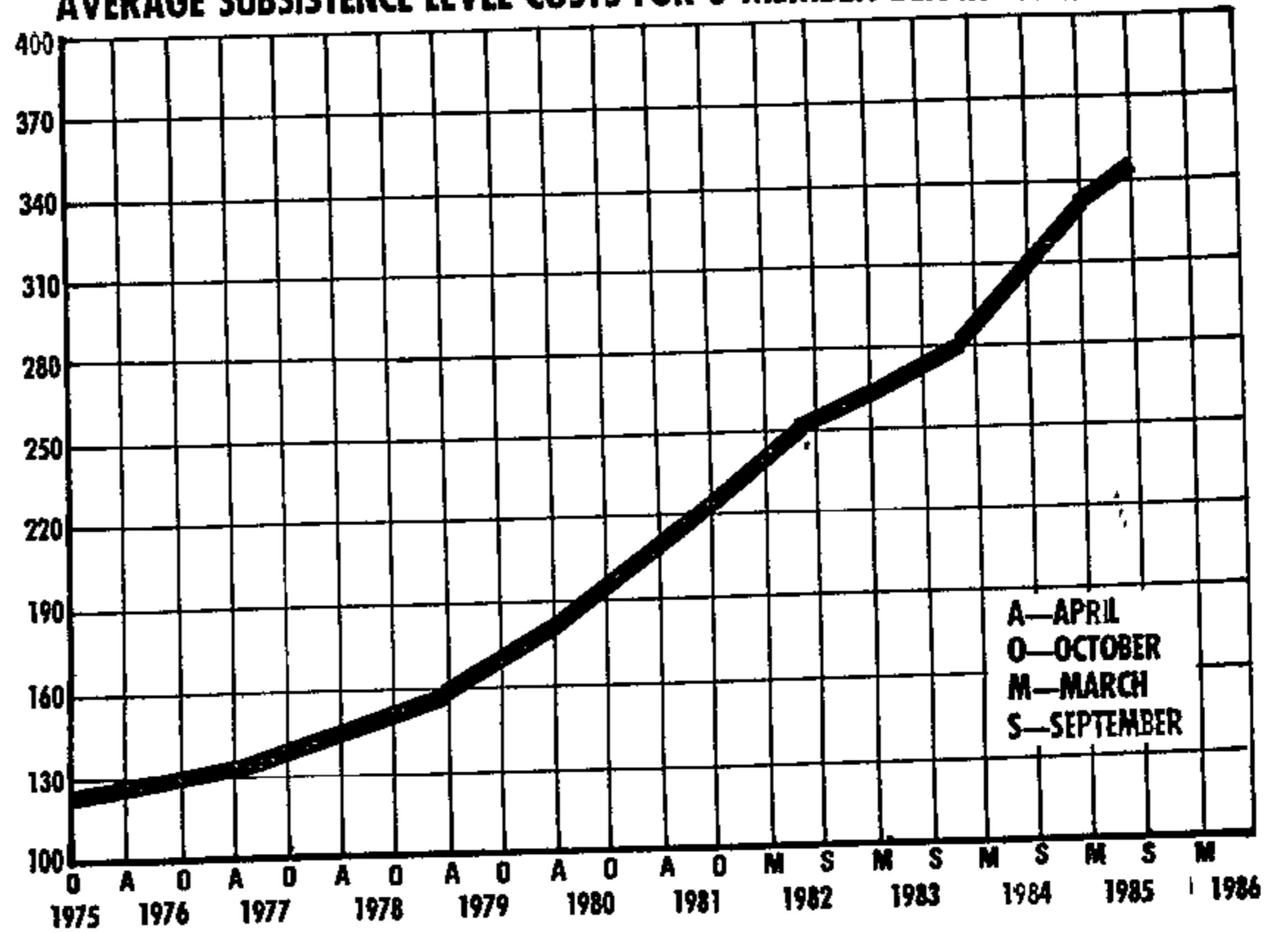
In Krugersdorp the household subsistence level is R348 a month, while in Boksburg it is R326, Brakpan R344, Germiston R340 and Springs R330.

The variation is explained by different rental rates. The survey notes that in several centres where service charges have been approved these have not been implemented due to the unrest

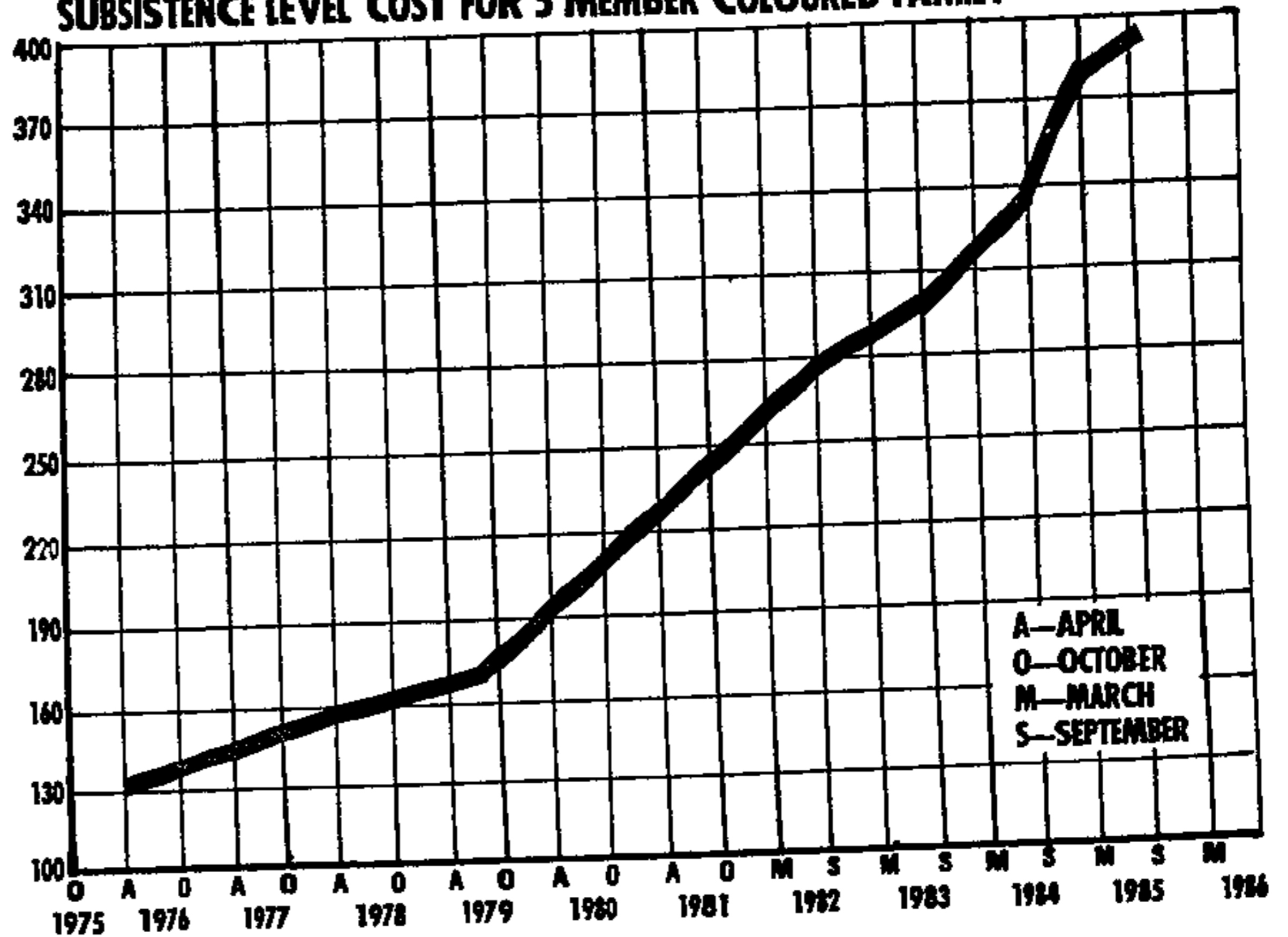
The household subsistence level for a five-member coloured family ranged from R316 a month in Uitenhage to R366 in Durban, R379 in Pretoria and R389 in Johannesburg.

The household subsistence level for an Indian household of six in Durban is now R401 a month. No statistics are given for Indian families living elsewhere

AVERAGE SUBSISTENCE LEVEL COSTS FOR 6 MEMBER BLACK FAMILY



SUBSISTENCE LEVEL COST FOR 5 MEMBER COLOURED FAMILY



# Quality of life to be surveyed

Starts 6/12  
242 Pretoria Bureau

A record 16 000 people are to be asked searching questions on the quality of life in South Africa during the next two months

The Human Sciences Research Council announced this week that a national demographic survey to determine socio-economic conditions is to be held

Described as the most extensive of its kind to be undertaken in this country, it will look at social issues — including education, sport, unemployment, health services and problems experienced by the aged

The findings are expected to help social workers to identify problem areas

Survey co-ordinator Mrs Tertza Richards said one of the key research areas would be the black female group between the ages of 15 and 49

She said the only way to get accurate information on births and infant mortality among blacks would be to question a representative sample of mothers.

Mrs Richards appealed to farmers in particular to co-operate with HSRC interviewers

"In the past, farmers have been suspicious and reluctant to grant their workers permission to take part in the survey," she said.

# Labour Update 16/5/89 Sawelan

## Annual defines 'standard' wage

AN average household income of about R870 was needed to support "a modestly low" standard of living for a black family of five, but many black workers earned less than half the figure.

This is according to the South African Township Annual, a research document edited by Mr Stuart Pennington of the Industrial Relations Information Surveys

Writing in the annual, Pennington says "Wage negotiations are sometimes based on theoretical assumptions about living costs which take little account of actual living conditions in particular townships and the income required by a household to sustain a modestly low standard of living.

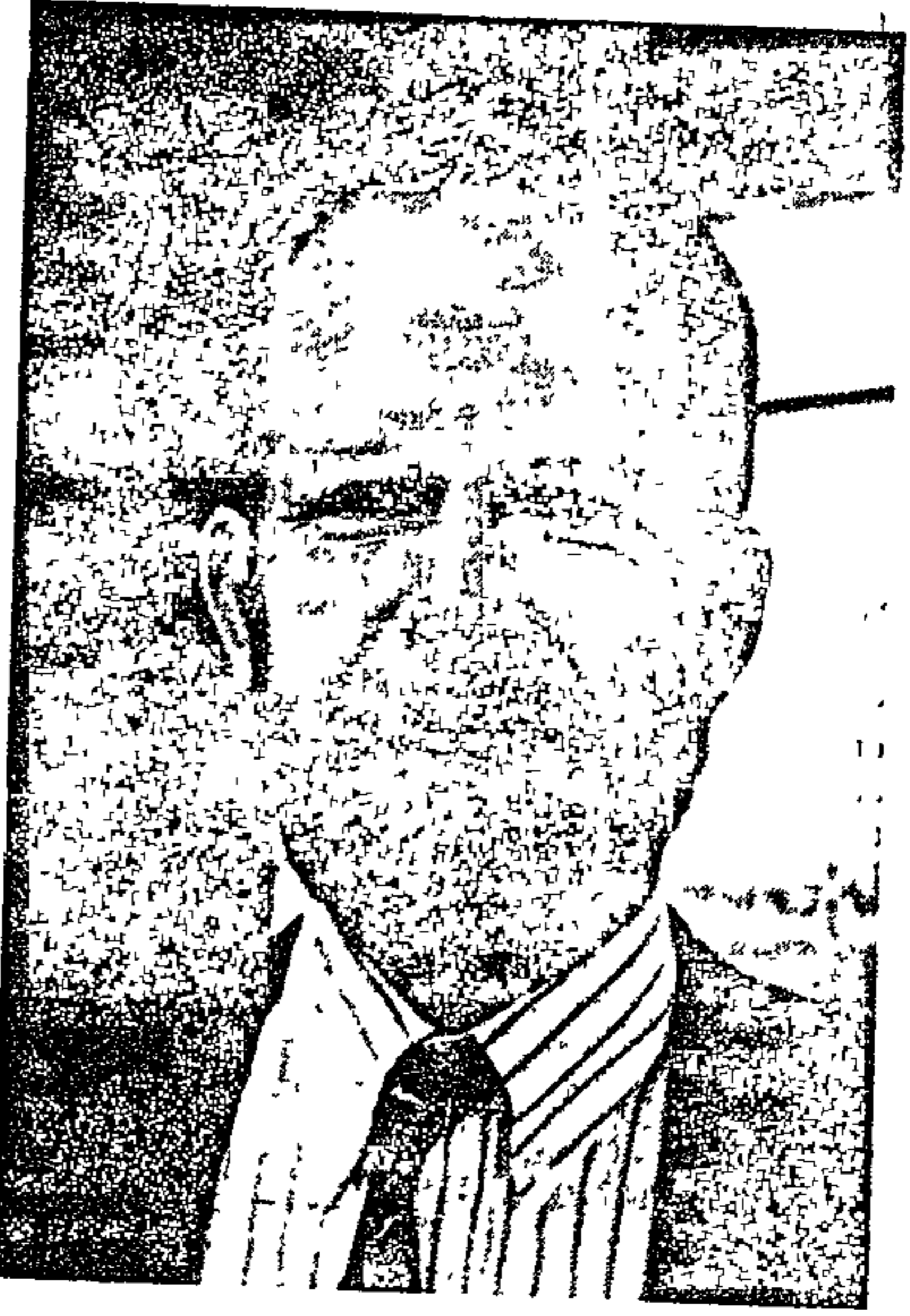
"The purpose of the annual is to provide 'live' data, based on interviews which will assist employers and employees negotiate on the basis of empirically based information rather than emotive threat," he says.

Data for the annual was garnered from 1400 interviews in 28 townships, with the average size of family being 5,3 members.

The annual aims at providing those involved in wage negotiations with empirical data about expenditure, earnings and costs by township and by region.

In the last year, the average income required for a family of five had risen to R860,56 from R809,72 in at least 60 percent of the households, according to Pennington. There were, at least, two contributors to the "pot" at these households.

"The relatively low increase in the past year



MR PENNINGTON

By LEN MASEKO

is proof that 'belt tightening' is not merely an economist's favourite exhortation in inflationary times", he adds.

Regional surveys showed that different average household incomes were needed to sustain a "modestly low" standard of living: Pretoria - Witwatersrand - Vaal (R1041,27), Eastern Cape (R746,23), Western Cape (R909,35), Natal (R825,63) and Free State (R828,54)

The survey also showed that Bekkersdal was inhabited by a population poorer than other communities in the Pretoria-Witwatersrand-Vaal areas with an unemployment rate of 57 percent. The average cost

of living figure for the area was found to be R847,95.

Meanwhile Pennington predicts that housing will be the "hot topic" in employer-union negotiations in the next 18 months.

"Many current employer housing schemes are not yet meeting the needs of black workers. They tend to be based on inappropriate assumptions about financing and don't address the particular problem related to township conditions". For example financing is often based on remuneration calculations which include overtime"

The growing momentum of urbanisation had created further housing needs and pressure to upgrade existing homes

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pic Sapa

# Average white person 'is no poorer'

How 19/5/89

The average white person had not become any poorer over the past 20 years, the Deputy Minister of Finance, Dr Org Marais said in Parliament yesterday

He said in the second-reading debate on the Budget that the country had been through difficult times

There were people who had suffered because of the economy and the drought, but the position of the average white person had been maintained

Notwithstanding all the problems, the real income after tax per member of a white household had risen by 5,5 percent between 1975 and 1988

When one took sales tax into account there had basically been no increase over that period, but neither had there been a decline Since 1988 there



had been an appreciable increase.

He said also that direct subsidies to whites, such as Government subsidies on education, amounted to 3,6 percent of GDP today — the same percentage as in 1960

Referring to claims by a

Natal professor that the inflation rate was running at 30 percent, he said that if living costs were in fact rising at this rate, this showed what a good monetary policy the Government was pursuing because the monetary supply would have in fact declined in real terms

What worried him was that the production price index, or the wholesale price index, rose by only 13,2 percent in 1988.

Retail sales prices rose nominally by 22,5 percent and the real increase was 7,2 percent

According to this figure inflation was 15,3 percent

If it had been 30 percent, retail costs would have risen by 37,5 percent In addition, the Chamber of Mines would then owe their workers a 30 percent increase — Sapa

1 2 3 - 2 -

Put more blacks in top jobs — report

# Across-the-board raises widen the gap

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By Winnie Graham

Signatories to the Sullivan Code believe the wage gap between the races requires the advancement of blacks, coloureds and Indians — and not across-the-board pay adjustments

Arthur D Little's 12th report on the Signatory Companies, now available in Johannesburg, states that decreasing the wage gap will remain difficult until blacks, coloureds and Indians have more representation at the higher-paid levels in a company.

It reports "This problem can easily be understood when considering a situation where blacks receive an average salary of R500 and whites R1 000. If a company gives a 20 percent wage increase, the gap will increase from R500 to R600

"To maintain the wage gap at R500, an employer would have to raise black employees' salaries by 40 per cent. Given the competitive South African economy, such an action could be tantamount to going out of business for most companies. Thus, the closing of the wage gap will

require the advancement of blacks, coloureds and Indians, not across-the-board pay adjustments"

The report adds that signatories who run labour-intensive businesses serving the local market, or who operate from rural locations, found it "particularly difficult" to meet the minimum wage requirements specified for American companies operating in South Africa

In spite of this, signatories paid their lowest paid workers — on average — 72 percent above the Minimum Living Level and Household Subsistence Level. The levels were determined by the Universities of South Africa and Port Elizabeth in the absence of a minimum wage determination by the government

The 12th report on the Signatory Companies (for the year ending June 30, 1988) says signatories averaged R455 a month — a 13 percent increase over the previous year

"No signatory paid wages less

than the required 30 percent above the local MLL/HSL," the records show

The report explains that the MLL and HSL represent a minimal allowance calculated for living requirements for a specific location, including food, clothing, compulsory payments to authorities, fuel/light, washing/cleaning materials, transport, medical expenses, education, household equipment and taxes

The report looked at the alternatives

- Mechanisation,
- Closing (which would eliminate all jobs),
- Selling to companies of other nationalities not required to meet the standards of the signatories and
- Contracting certain low-paid work to companies not required to meet the standards of the signatories

The report dismisses these alternatives as undesirable but stresses the minimum wage criterion as crucial to the implementation of the principles

# R809-a-month living wage, deduced after survey

Capitol Hill

2/14/88

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UNION demands for a "living wage" aren't going to disappear simply because the Government has its own ideas about how the economy should be restructured and is urging pay restraints

But the question of just what is a living wage is one with profound economic and moral dimensions. It's also riddled with variables, not the least of which is that perceptions of a good wage depend a lot on how much a worker is getting paid at present

For someone earning R280 a month, a wage of R600 sounds like something worthwhile. For another earning R550 it doesn't sound so wonderful, but R900 wouldn't sound altogether unattainable,

while for the first worker it would seem like the promised land — something to dream about, but hardly worth contemplating seriously.

Given these differing perceptions, it's little wonder that there is some floundering round the "living wage" concept when it comes to negotiations.

But, with all the debate, one industrial relations consultancy has taken the bull firmly by the pointed bits and put a figure of R809 a month to it.

"This," says Stewart Pennington, a partner in I R Information Surveys, "is what's needed to support a modestly low standard of living for a black family of five" The estimate is based

on a recent survey of township living conditions undertaken by the consultancy in 1987 and published in *South African Township Manual*.

It allows for food, cleaning materials, personal hygiene, fuel, medical expenses, clothes, rent, schooling, transport, hire purchase instalments and discretionary expenditure.

According to Pennington, much of the confusion attendant upon wage negotiations happens because many employers have no real idea (as opposed to far-cical misconceptions) of what conditions are like in the areas where their employees live. And, lacking this, few are able to make informed decisions about their employees' cir-

cumstances and find themselves at a disadvantage at the bargaining table.

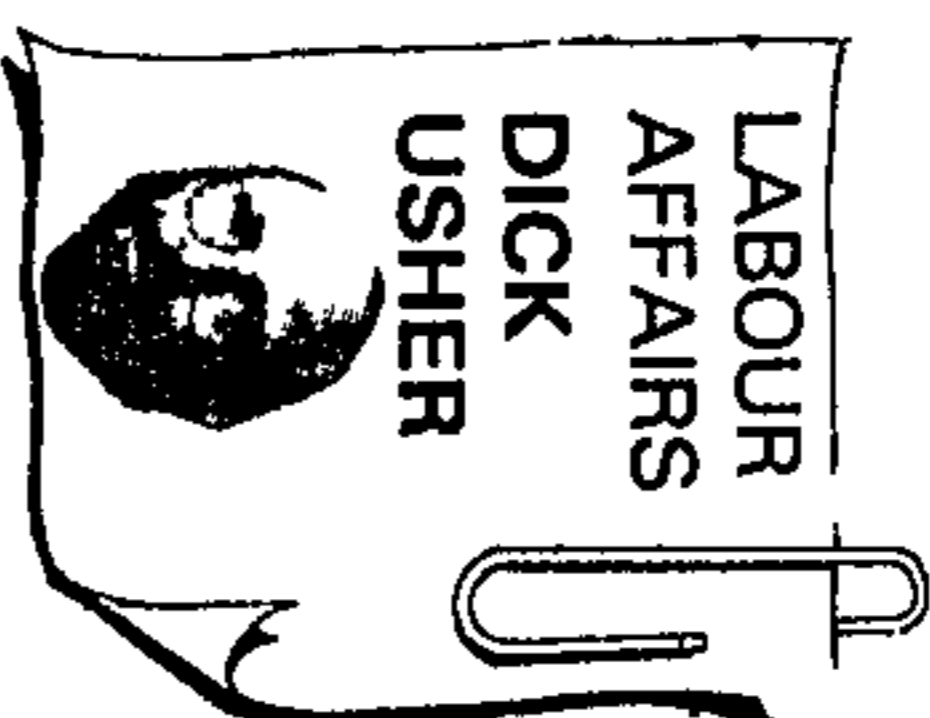
He stresses that "while the survey arrives at a suggested wage level of R809, it in no way attempts to moralise and tell employers what they should pay. It merely sets out what is required to sustain a modestly low level standard of living."

Importantly, though, it does make allowance for discretionary expenditure. He says this benefits society as a whole because disposable income enables people to participate in improving their standard of living. It also benefits employers. "Many who are paying more than R800 a

month are experiencing greater productivity, less absenteeism, greater commitment to company objectives and greater co-operation when overtime and weekend work is called for," said Pennington.

The survey from which the R809 figure was derived covered 20 townships serving major industrial areas and included four Western Cape areas — Guguletu, Khayelitsha, Mitchell's Plain and Atlantis.

"For the first time employers have, in a readily available form, information on the number of houses and the number of people per household, facts and figures on schools, an idea on the amenities and medical services available as well as the



number of shops, post offices and police stations in each area," Pennington said

"The aim of *Township Annual* is to provide a document which will assist employers at wage negotiations and in other situations to make sensitive and appropriate decisions — based on a fuller understanding of the circumstances facing workers outside the workplace."

**min**

# Small HSL rise noted in 6 months

*Eve Post 24/11/86*

*242*

By DENISE BOUTALL

THERE has been a relatively low increase in the average household subsistence levels (HSL) for coloured and African people in South Africa's major urban centres in the past six months

This is the finding of the latest six-monthly survey of household subsistence levels which the University of Port Elizabeth's Institute for Planning Research has been conducting since 1973

The latest survey was carried out in September and shows that since March the increase for Africans in the five major urban centres has been 4,1%, compared with 6,1% in the six months prior to that

For coloured people the increase in the past six months was 4,9% compared with 8,9% in the previous six months

The consumer price increase for the lower income group in the same period was 7,2%

Taken over 12 months, the increase for blacks was 10,4%, and it was

14,3% for coloureds, which is substantially lower than the consumer price index rise of 18,7% during that period

The only explanation given for the low increase is that price increases for items exempted from general sales tax was low and there was a general trend for fish, milk powder, dry legumes and cooking oil to cost less than six months ago

In Port Elizabeth the household subsistence level for an African family of six — food, clothing, fuel, lights, washing and cleansing, rent and transport — in September was R371,37, which made it one of the cheapest urban areas

Maritzburg was the lowest with an HSL of R346,49, followed by East London and Benoni both at R360,00

The highest HSL was measured in Springs (R396,51), followed by Pretoria (R391,41) and Johannesburg (R390,33)

The HSL for a coloured family of five in PE in September was R378,84

In East London the HSL for a coloured family was R376,35

In King Wilham's Town the HSL for an African family was R340,03 and for a coloured family R370,13 and in Queens-town R360,87 and R376,22 respectively

At Peddie the HSL for Africans was R320,09

In Cape Town the HSL for an African family in September was measured at R380,81 and for coloureds at R393,81

In addition to the breakdown of the HSL in each centre, the report also details the minimum monthly diet for people of various ages and sexes

It also gives the unit cost of each food type in each centre surveyed, the monthly cost of each food type for each age group in each centre and the cost of the clothing component, broken down item for item, in each centre

The breakdown includes the cost of washing, cleansing, fuel and lighting and the cost of housing and transport in each centre

# Management and unions: why the wires are crossed

STAR 13/11/86

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By Sheryl Raine

Two states of emergency, rampant inflation, economic sanctions and major shifts in alliances in the trade union movement are just some of the factors which turned 1986 into a tumultuous year for industrial relations

In their annual "Wage Negotiations Pack", Stuart Pennington and Associates highlight the key labour developments this year and give their reading of trends for the future.

"By far the most serious threat to the economy is the stark reality of sanctions," these leading industrial relations (IR) consultants note

They believe unemployment is probably the country's most serious economic ill, closely linked with the lack of consumer spending

"Many unionists believe the economic situation is directly linked to politics, and without political change the economy will continue to slide, or at least not improve to any marked degree," they say.

"This may explain why union federations support seemingly self-destructive measures such as sanctions

"The unions themselves face a dilemma: do they do their best for working members by bargaining for higher wages, or do they ally themselves with community and political organisations to help the general black population, which includes many thousands of unemployed?"

Managers must become adept at dealing with the IR/political interface as the two aspects become inseparable, say the consultants

## Union alliances

Examining the major shifts in trade union alliances, they focus on

- The December 1985 launch of the Congress of SA Trade Unions (claimed membership 650 000).
- The May 1 launch of the Inkatha-backed United Workers' Union (claimed membership 80 000).
- The dwindling leadership of the Trade Union Council (Tucsa) and its decision to disband next month
- The recent merger of the Council of Unions (Cusa) and the Azanian Confederation of Trade Unions (Azactu)
- The emergence of two giant industrial unions under Cosatu, namely the amalgamation of two unions into the Transport and General Workers' Union and the emergence of the Food and Allied Workers' Union from three unions in this sector.

More than ever, major union federations reflect, and are divided on, political and economic differences, say Stuart Pennington.

Members of several major unions have used strikes to protest detentions, bringing politics onto the shop floor. Many businessmen are compelled to take a po-

## New subsistence level established

There has been considerable argument concerning the much-quoted concept of a "living wage" since major black unions made their presence felt in South Africa.

There are many household subsistence levels, breadlines and cost of living surveys available to employers and unions which add fire to the argument

Stuart Pennington and Associates noted that these figures were somewhat controversial and did not enjoy universal acceptance.

The figures differ considerably depending on what survey is consulted.

For instance the Unisa Bureau of Market Research produces a minimum living level for households. Their latest figures for a black household of five

show that it costs R417 a month to survive in Johannesburg, R352 in Cape Town and R414 in Durban.

To illustrate these differences Stuart Pennington and Associates interviewed 100 black housewives in Katlehong who responded by submitting a basic shopping list. They then surveyed 13 shops in the district to ascertain prices of these goods and also selected representative figures for rent and medical expenses.

The final result showed that the average family of five spent between R565 and R712 a month with a mean of R641.

Groceries constituted by far the biggest expense — ranging from R280 to R408, followed by transport (R49) and clothing (R48).

litical stand and sometimes find it necessary to make representations to the Government about their situation

Examining trends more specific to the nuts and bolts of industrial relations, Stuart Pennington detects a reluctance on the part of Cosatu unions to sign recognition agreements because Cosatu believes such agreements have no legal standing and tie the parties down too severely, and that negotiating such agreements takes too much time

It is critical to establish recognition agreements prior to collective bargaining, the consultants say

They advise that due to a rash of sit-ins and sleep-ins this year, it is important to include a "conduct during industrial action" clause in recognition agreements in future

"Sit-ins, sleep-ins and boycotts are a legitimate form of industrial action and must be seen in the overall context of industrial democracy," they say

However, they recommend that companies and unions should record in their recognition agreements that they regard certain types of activities as unfair

In a comprehensive section on wage negotiations and union demands, the consultants give managers rare insight into the current cost of living in black areas

They warn that the various indexes of household subsistence levels do not enjoy much credibility among newly established trade unions "While they provide a useful guide to management in establishing a minimum wage, it is inadvisable to produce the figures at the bargaining table in vindication of management's remuneration practices"

## Family expenses

Apart from quoting recognised subsistence levels, the consultants also publish an abridged version of a survey on family expenses in Katlehong on the East Rand (see table)

Finally they conclude their pack with guidelines to managers preparing for negotiations, noting that the days of "if you don't like it, lump it" negotiation are over



# Soweto living cost has spiralled 20 percent

242

STAR  
24/1/81

Day-to-day living expenses for an average black family in Soweto have spiralled 20 percent in the year ended November 1980, according to figures released this week by the Johannesburg Chamber of Commerce

This figure is almost five percent higher than the national inflation rate last year, and includes a 41,29 percent increase in housing rents.

The overall budget index for a family of five (two adults with three children aged 16, 12 and 8) in Johannesburg's

black sister city has rocketed 229 percent in the decade ended November last year

The index increase of 20,72 percent from November 1979 to 80 is more than double that for the preceding year

All of which means, according to economists, that blacks in Johannesburg have "lost, rather than gained, in a year which saw one of the country's all-time money booms"

Said a senior Anglo-American economist "The figures are frightening.

Black salaries did not rise overall by nearly that much last year.

"So, in 1980, which was one of the country's best years for a long time, blacks lost out in real terms and were worse off — comparatively — than whites"

The Chamber of Commerce figures show the following percentage rises for the 12 months to November last year: clothing and footwear, 9,93; fuel and light, 12,61; transport, 10,09; cleaning materials, 12,59; education, 13,62

"It will also have to be borne in mind that the Soweto and Dobsonville community councils are due to implement the last stage of their rent increases on February 1," indicating that worse is to come, according to the chamber's newsletter

"While transport has not increased over the past six months, indications are that there will be a rise in bus fares in the foreseeable future as Putco has applied for (and been granted) an increase"

Overall, the JCC statistics show a 20,54 percent increase in the minimum living level for the average Soweto family from November 1979 to 80

The final figure of R242,45 for a family of five's monthly budget is still "horrifyingly low" according to economists, "and could well be understated"

"The gap between white and black salaries is, generally speaking, increasing rather than decreasing. Only in a few industries (and I stress, private industries) is this not the case," commented one authority.

## Terrified pensioners need aid, says MPC

By Deon Delpont  
Municipal Reporter

Stability during this decade depends on the Government solving the housing crisis and feeding all population groups an MPC and Johannesburg city councillor has warned

Mr Simon Chilchik MPC and Progressive Federal Party councillor for Hillbrow, said it came as no surprise to learn that the cost of living for lower income groups had soared by over 20 percent

One of the most urgent problems the Government will have to deal with as Parliament goes into session on Monday is the future of old age pen-

sioners in this country

"The stress these people have to endure has reached breaking point. Pensioners are actually living in terror of the future and many have told me they can no longer take this life," he said.

Mr Chilchik said simple handouts were not the solution

At present pensioners faced an unbelievable increase in rents; the unavailability of accommodation and the increase in the cost of living.

"The Government should give serious consideration to allowing pensioners who can work to seek employment without

penalising them by reducing their old age pensions," he said

"Those who receive civil or other pensions should not be subject to taxation and those who are unable to work should be adequately cared for and should not have to live in an atmosphere of insecurity"

This should be done for all population groups, he said

It was also necessary to change pension policies for future generations

There were over 10 000 registered pension schemes and it should be made law that future generations contribute to these schemes

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# Food prices

~~244~~ 242 Argus  
up 30.1 pc

4/3/81

Argus Correspondent

PRETORIA — Food prices have risen 30,1 percent since February 1980.

In the same period the consumer price index rose 16 percent, says the Department of Statistics.

It was 20,5 percent for the lowest income group, 17,1 percent for the middle income group, and 14,4 percent for the higher income group.

The Minister of Finance, Mr O P F Horwood, has invited about 100 leading businessmen, heads of government departments and top economic advisers to a one day conference in Johannesburg on Thursday to try to find a solution to the cost of living spiral.

# POOR feel pinch as COSTS OF living soars

RDM-24/3/81

By GERALD REILLY, Pretoria Bureau

THE cost of living, as measured by the Consumer Price Index, shot up by 16% in the year to February 28.

According to official figures released yesterday, the rate for lower income groups outstripped even this, moving up 20.5% on the year

Pay rises in the public sector would be inflationary because they would be unaccompanied by compensating higher production.

A Government source in Pretoria said the Price Controller would also have to agree to producers of bulk products, such as coal and sugar, increasing their prices to recover higher transport costs.

And the motor industry claims a half-cent rise next month in the price of petrol, to 55c/ℓ, is virtually certain to be authorised.

A bread price rise is also expected, in the September Budget at the latest.

In reaction to the big CPI rise, the Progressive Federal Party's finance spokesman, Mr Harry Schwarz, warned yesterday that inflation would run out of control unless the Government acted swiftly and firmly to slow it down.

He said that while the Government was preoccupied by its fight with its fighting, inflation was feeding on itself and imposing severe hardships.

Mr Schwarz said the 20.5% COL rise for lower income groups was "really alarming and underlines the need for urgent relief".

The Government was clearly ignoring the welfare of a large group of South Africans.

"At least those who have got the vote can act — they can vote against a Government which appears to be unwilling to take the necessary action to slow down the price spiral."

News by Gerald Reilly, Van der Step Building  
Pretorius Street, Pretoria 1

This trend strengthens the view of economists that by Budget time in September inflation may be at 18%, pushing towards 20%.

And if the wide range of administered price rises expected to begin next month — including higher railway rates and a higher maize price — are taken into account, economists say, it is obvious pressure on prices will continue unabated for months to come.

In yesterday's figures, released by the Department of Statistics, the food price index at the end of February also reflected the highest rise for a 12-month period — 39.4%.

The all-items figure rose by 1.6% during February, an annual rate of 18% against 0.6% in January — while the food-price rise was by 1.6%.

The 12-month figure to the end of January was 15.8%.

Living costs for the middle income group rose by 17.1% in the year to the end of February and by 14.4% for the higher income group.

Two major factors which will contribute to a continuing increase in prices, according to economists, are the 15% rise in rail rates, effective from April 1, and the R60-million a month in pay rises for public sector workers.

The chief economist of the Bureau for Economic Research at the University of Stellenbosch, Dr O H D Stuart, said yesterday that either of these factors would influence the price spiral, but together they would significantly raise pres-

WHY ARE CERTAIN PROCEDURES OF THE  
INDIGENOUS HEALERS EFFECTIVE?

M. Vera Blühmann.

My aim with this paper is to explore some of the factors which could be operative in the healing methods of the indigenous healer. Factors which could answer some of the feelings and opinions of western trained professionals. It seems to me an impoverishment if we continue to regard their work as witchcraft based on superstition, mysterious, even charlataniam and as something without sound psychological foundations.

My research is amongst the Xhosa and I will only be talking about those I have studied in depth i.e. the Indigenous Healers who primarily employ psychic procedures in their treatment of the sick and troubled who seek their help. I am excluding the herbalist and those who use "witchcraft", extraction procedures or other techniques. The group I am discussing have their counterpart in the western psychotherapist.

They have a sense of dedication "of being called to the service of the ancestors". Their attitude to unconscious material is one of respect and reverence. They acknowledge the role and wisdom of the ancestors. They have said to us: "We are not under ourselves we are under the ancestors and must follow their instructions". To me it is clear that theirs is a calling and not primarily a profession. They seem to have developed the ability through training to sharpen and use what Deikman<sup>1</sup> calls "the higher perceptual capacity", which is innate in human beings but neglected in the Western scientific orientation and training.

These healers rely primarily on the use of dreams, ceremonies, ritual dancing, ritual slaughter or sacrifice, milieu therapy and to some extent involvement of the family, clan and community. Their primary, but

not conscious and not conceptualised aim, stated in Western terms, is a

shift in dynamic between conscious and subconscious factors.

# 70 UK firms 'are still paying poverty wages'

From the London Sunday Times

LONDON — Just more than 70 British companies are still paying poverty wages to black South African workers, according to their own reports supplied to the Department of Trade

Among the companies that fail to pay some of their workers to the minimum standard agreed on by the EEC in 1977 is a Burmah Oil subsidiary Quinton Hazell — one of whose directors is Mr Denis Thatcher, husband of British Prime Minister Mrs Margaret Thatcher

Other British companies employing cheap labour include Lonrho, GKN, Trust House Forte, Asso-

ciated British Foods Dunlop, Sir Alfred McAlpine, Turner and Newall, Wimpey and Plessey

The EEC Code of Practice calls on companies trading in South Africa to pay their workers at least 50 percent above the minimum living level, which is defined as the lowest sum on which an average black family can live

The higher level, called the supplemented living level, is regarded by the EEC as the minimum necessary to provide a modest standard of living for an average household of five or six people

The companies that supplied reports employ 118 000 black people

The number which receiving "starvation"

wages, below the lowest level has dropped to 1 000

But the number of workers receiving "poverty" wages below the EEC's minimum level is 14 percent, or about 15 000

The Government no longer names British companies that fail to meet acceptable standards of pay. But their names can be found in five volumes of reports lodged with the Department of Trade

Since the EEC Code has been in operation, the number of workers paid "starvation" wages has dropped, but the number paid below the EEC minimum has lowered to between 14 and 19 percent

The survey, published

during the week, was for a 12 month period up to June 30 last year, and by that time 18 major British companies had failed to report

Among those that did not report were Bowthorpe Holdings and Thomas Witter, both of which paid their workers "starvation" wages the previous year

Thomas Witter was recently taken over by Tarmac, which has promised to supply reports in future

Last year the disclosure that the Burmah Group was paying some of its workers "starvation" wages caused considerable embarrassment to Mrs Thatcher

Depth psychologists especially the followers of Freud, Jung, Klein

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For publications obtainable from the Centre for Intergroup Studies, c/o University of Cape Town, Rondebosch, Republic of South Africa, 7700

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PLEASE CIRCLE ITEMS REQUIRED

PLEASE CIRCLE ITEMS REQUIRED

**WAGE DEMANDS**  
*242* *17/4/81*  
 The Transvaal Regional Council of the Federation of SA Trade Unions (Fosatu), this week called for a new set of rules in bargaining  
 It condemned the low wages paid to African workers and said they resulted from "a systematic development by management and organised white workers of a wage structure with high wages for skilled workers and low wages for unskilled workers"  
 The federation rejected concepts such as the poverty datum line (PDL) where these have been worked out without consultation with organised labour"  
 Fosatu called for a "living wage" to be determined by "what workers themselves decide they require to live" and "what workers are able to get from their managements at both national and plant based negotiations based on the company's ability to pay, its profits, and the ability of the union to get higher wages in the company" It also demanded a law which recognised the right of unionised workers to bargain on wages at both local and national level

.....  
 Signature: .....  
 Date: .....

# 'Workers need to live, not just subsist'

**Labour Reporter**  
Managements should pay workers living wages above subsistence level, according to a report in a recent labour guide

The National Development and Management Foundation (NDMF) has produced the guide on 'handling and harnessing labour changes in the '80s' which includes reports by academics and industrial relations experts

In his article on job evaluation and pay structures, Mr R V Sutton, states that there is a large number of unskilled and poorly educated people

which ultimately deprives the black work force of effective bargaining power

This in turn leads to minimum wages being depressed and sometimes falling below subsistence levels, he states

Minimum wages established in various industries often do not take into account "quality of life" for workers

Mr Sutton suggests a minimum living wage be established by increasing the allowances for the basic "life support items such as food clothing and medical expenses

Discrimination in pay

practices through dual or polarised pay structures should be done away with, he adds

Industrial relations consultant, Mr Andrew Levy, describes a struggle for "industrial survival" in his report and states that it is inevitable that in the next few years workers will be seeking a better standard of living

He suggests that managements establish procedures for negotiation between company and worker officials to ensure industrial peace

Hulletts industrial relations manager Mr L B de Wet, states that the ma-

nagements must work to develop cooperative working relationships with trade union officials

Mr de Wet adds that too often companies view industrial relations in terms of dispute conciliation instead of adopting the approach of dispute prevention

He outlines a series of negotiating principles and calls for a two-tier structure for consultation and collective bargaining

Other reports in the guide look at the skills shortage utilisation of female labour and socio-cultural factors

Dear  
Jo'burg,  
what <sup>RDM</sup> <sup>8/5/81</sup>  
a list <sup>242</sup>  
to top!

Own Correspondent

**PORT ELIZABETH** — The latest country-wide Household Subsistence Level survey by the Institute for Planning Research at the University of Port Elizabeth shows that Johannesburg is the most expensive centre for blacks and coloureds

But coloureds in Port Elizabeth and Uitenhage were economically the hardest hit the updated six-monthly survey shows

Blacks living in the two areas also felt the brunt of one of the highest increases in the HSL during the six-month period which ended in April

In the report, which is aimed at giving employers a guide to employees' wage needs, the director of the institute, Dr Johann Potgieter, says the increases are in part due to a stabilisation in the price war strategy between supermarkets

"It is most likely that this price war struggle to retain a share of the market is now over and that price determinations are more realistic, but at a considerably higher level"

The HSL for coloureds in Port Elizabeth increased by 9,6% in the last six months to R208,27 and 12,4% to R189,83 in Uitenhage — the highest increases in the survey

The average six-monthly increase for coloureds in 10 urban centres surveyed was a "relatively" low 4,1% with a 15,9% increase over the last year — chasing close behind the consumer price index of 16,2%

Average coloured rents escalated by R3,29 in Port Elizabeth and by R8,28 in Uitenhage during the past six months, causing "alarmingly" high increases of 21,5% and 26,1% respectively in the HSL over the past year

Black HSL increases of 7,5% to R198,01 in Port Elizabeth and 8,3% to R201,75 in Uitenhage in the past six months are more difficult to explain because of an absence of rent and transport rises. The yearly increases for blacks were 17,3% in Port Elizabeth and 18,9% in Uitenhage — 3,4% and 5% higher than the average increase of 13,9% for 13 comparable surveyed centres

In April, the HSL for a black household of six was lowest in Port Elizabeth and Pretoria, at R198, a month Johannesburg, at R216,22, was highest

Blacks living in Johannesburg and the Vaal Triangle areas experienced six-monthly increases of 8% and 6% respectively, bringing the HSL to R216,22 and R206,13. The yearly increases were 20,1% in Johannesburg and 16% in the Vaal Triangle

Rent increases of R8,70 in Johannesburg and R5,10 in the Vaal Triangle contributed significantly to these increases, the report says

Of the surveyed urban areas, the figure for a coloured family of five ranges from R200,52 in East London to R222,52 for Johannesburg, making it the most expensive centre for blacks

The six-monthly increase for Johannesburg's coloureds was 5,3% with Pretoria experiencing a relatively low 0,6% increase

# Subsistence levels for blacks on the increase

STAN  
242  
11/51

By Craig Charney

The poverty level for blacks could rise to more than R300 a month by 1985, according to research recently published by an economist.

Another expert on black incomes thinks that figure could be an underestimate.

A report published by Dr J F Potgieter, of the University of Port Elizabeth, says the household subsistence level (HSL) for blacks — the minimum income required for healthy living — could reach R305 to R315 a month in four years if the current rate of inflation remains unchanged.

The subsistence level now averages R205 a month in five major cities surveyed by Dr Potgieter.

## CONSERVATIVE

Black living costs may be even higher than Dr Potgieter's estimates by 1985, according to Dr Jeremy Keenan of the University of the Wit-

watersrand. The UPE estimates are "extremely conservative in every way," he says.

His estimates, based on research in Soweto and national income data, suggest the HSL is at present about R260 a month, and a 1985 figure well above Dr Potgieter's R300..

But Dr Potgieter warned prices could be expected to rise more quickly for breadline workers in the next six months when another Budget and more administered price increases were expected.

His study also found that Johannesburg was the most expensive city in the country, with a HSL of R216 a month, and that it had the highest inflation rate for the poor, about 20 percent a year.

After Johannesburg the regions hardest hit by inflation in the last year were the Vaal Triangle (16 percent), Uitenhage (19 percent) and Port Elizabeth (17 percent).



# Black HSL may rise to R300 by 1985

4/6/81  
Soweto  
(242)

**THE poverty line for blacks could rise to more than R300 a month by 1985, according to research just published by an economist.**

Another expert on black incomes thinks that could well prove an underestimate.

A report, just published by Dr J F Potgieter of the University of Port Elizabeth says the household subsistence level for blacks — the absolute minimum income required for healthy living — could reach R305 to R315 a month in four years, if the current rate of inflation remains unchanged.

The subsistence level now averages about R205 a month in five major cities surveyed by Dr Potgieter.

Black living costs may be even higher than estimated by Dr Potgieter's estimates by 1985, according to Dr Jeremy Keenan of the University of the Witwatersrand. The UPE estimates are "extremely conservative in every way", he says.

His estimates, based on research in Soweto and national income data, suggest the HSL now would run about R260 a month, and would suggest a 1985 figure well above Dr Potgieter's R300.

Even on Dr Potgieter's estimates, to reach the household effective level — a minimum standard of comfort — a black family would need an income of over R450 a month by 1985.

His study also found that Johannesburg was the most expensive city in the country to subsist in, with a HSL of R216 a month, and

that it had the highest inflation rate for the poor, some 20 percent a year.

After Johannesburg, the regions hardest hit by

inflation in the last year were the Vaal Triangle (16 percent), Uitenhage (19 percent) and Port Elizabeth (17 percent).

labourers.

ics and Marketing in its 1975 issue of its publication "e" stated that the gross value of South Africa's agricultural 1,7 million in 1973/74.

agriculture traditionally the Whites are usually the loureds the farm labourers. It is estimated that 60% of White farmers produce 90% of the total agricultural ximately 40% of the total White farmers are operating may be attributed to lack of experience, knowledge, business ility because in many cases with the demise of the owner the family unequipped to operate the farm successfully takes

ic factors which influence the success of an enterprise, ry has to contend with additional forces beyond their control.

fore he affected by six months, Over the past six months, the HSL rose some 5,2 percent, compared to 10,0 between April and October 1980.

However, Dr Potgieter said this reflected the fact that budget and food price shocks in the earlier period had worked their way through by the latter. He warned that prices could be expected to rise more quickly for breadline workers in the next six months, when another budget and more administered price increases are expected.

ble weather conditions such as when production exceeds the de-

individual basis the tendency the provision of housing is

of houses and the workers or ns. Houses may now only be

Until recently there was no owner built houses with no built under the control of DIVISIONAL COUNCILS and according to definite building and health regulations. The various agricultural unions constantly appeal to their members to provide better houses for their workers because it is realised that if the workers are well-housed it will lead to their contentment and happiness.

# Workers have no say

By JOE MOLEFE (24.7)

THE Federation of South African Trade Unions (Fosatu) is advocating a minimum living wage level of R2 an hour for black workers

Fosatu also charges that low wages in South Africa are a result of the powerlessness of workers. Black workers have been unable to bargain for better wages and working conditions

Management and white unions have between them developed a wage structure which is unequal. It gives high wages to skilled workers (mainly white) and low wages to unskilled workers (almost always black) " adds a statement

It continues "We believe that these white unions have done a great disservice to the working class as a whole. They have helped managements to create divisions in the working class which will take a long time to heal

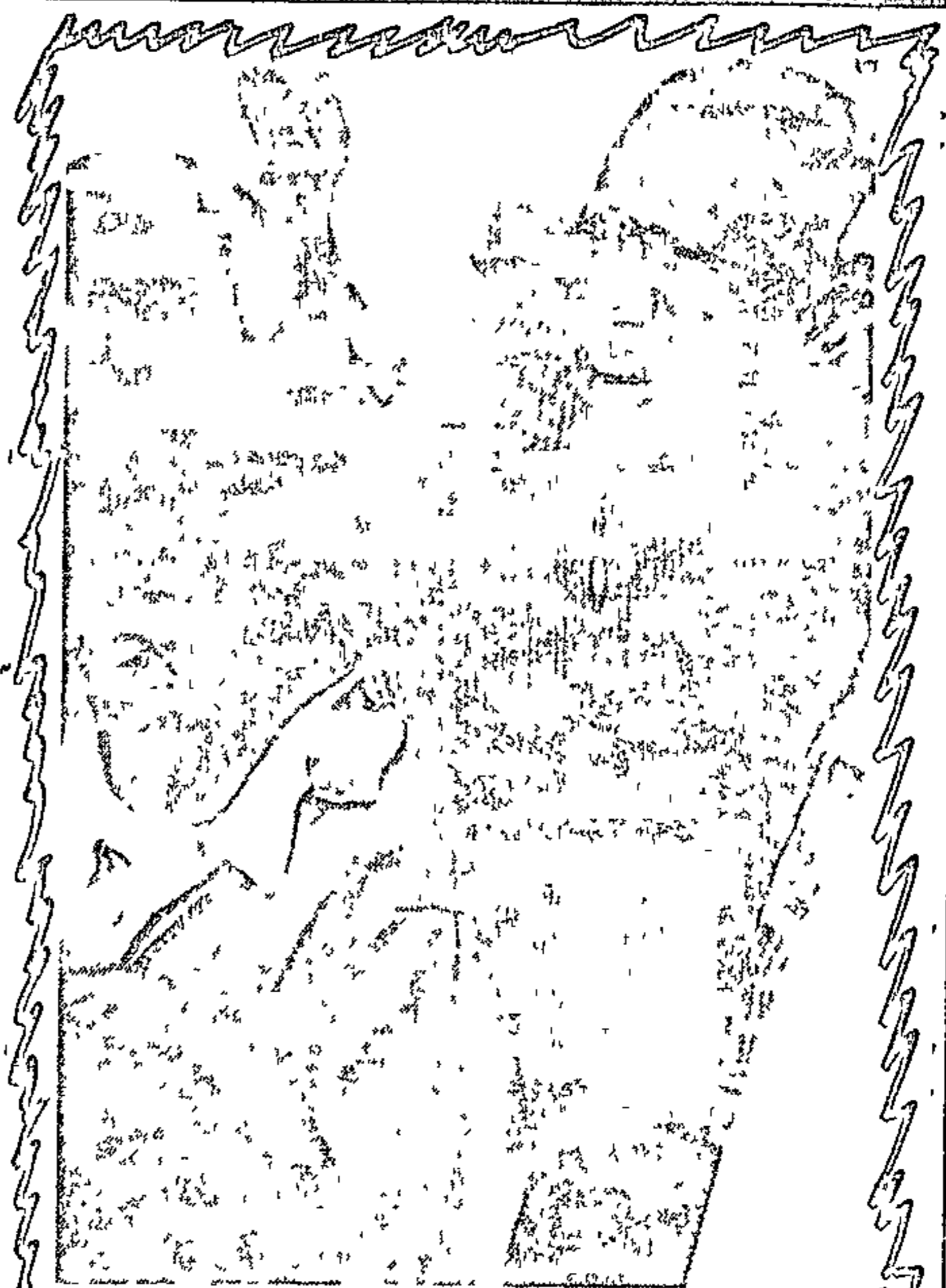
The statement points out that there are many surveys which are supposed to show how much money a family needs to live on. Examples of this is the Poverty Datum Line (PDL) and the Minimum Effective Living Level (MELL). These are supposed to show the minimum amount of money needed by a family of five to survive.

Managements use these amounts to set wages. They often say that they pay wages above the PDL or MELL. They then claim that their workers are not getting starvation wages " the statement emphasises

According to the statement, Fosatu rejects these surveys as a way of setting wages because (1) amounts are worked out without ever consulting organised workers, (2) workers do not decide what they need to live on, non-workers decide, (3) amounts are worked out by abstract formula, (4) amounts are based on a family of five and (5) amounts are in any case supposed to be the minimum needed to live on, for example, just above starvation level

Fosatu gives an eight-point plan, based on negotiation by workers, which it sees as the basis for a living wage. The eight points are

- That workers are given the legal right to bargain for better wages and working conditions and a higher standard of living,
- That the workers are given the right to negotiate at national and plant level,
- That resistance to this by managements be regarded in law as an unfair labour practice
- That unions should be allowed to conduct surveys in a plant during working hours to find out what workers see as their needs,
- That unions should have access to company profits and that companies should by law made to give all information on profits,
- That wages should automatically go up with inflation. They should be linked to a price index. Wage negotiations should be about increase above inflation. They should be about real increases,
- That shop stewards involved in negotiations be given paid study leave so that they can learn about negotiating methods and company finances



**FLASHBACK** The Johannesburg municipal workers strike. Fosatu charges that low wages in South Africa are the result of the powerlessness of workers

MORTALITY IN SOUTH AFRICA PART 1

... causes of a recent ... mortality data as compared on a routine basis at national level. In s, the provi ... of m ... are to be placed on a rational and scientific basis the analysis of mortality data is likely to be of fundamental importance the overall assessment of health and disease ... through there is not information about the mortality experiences of the ... ferent South African communities ... Beer ... of the ... reit situation ... the ...

Mortality data for the White, in South Africa ... of the mortality profiles of the ... files and to discuss their relevance South Africa. ... uring in South Africa by cause, age ... ment of Statistics. These ref ...

is to devise a system that will allocate resources effectively.

It has also been concluded that the marketing board will not be without its costs whether the costs are benefits. This question for it is not possible system is best.

The paper provides a relatively unconstrained alternative proposal. Independent research be encouraged in order the workings of the drug market. However, it is hoped will serve as an input view of the economist regarding the pharmaceutical industry reserved for the medical profession.

working out living standards for employees. "These scientific surveys are based on some abstract formula of what workers need to live on. They are normally inaccurate because they talk about a non-existent family of five, something which few Africans know about and they are based on non-workers (management) decisions of what a worker needs to live," the statement says. In place of these surveys a living wage should be introduced by managements based on worker requirements and company negotiations for higher wages.

"A living wage can be achieved only through the acceptance of employers and the State of the right to negotiate wages at both plant and national level," the statement adds. Fosatu also demanded the legal recognition of the right of organised workers to bargain for higher wages. It felt that where this was not the case management should be seen as having committed an unfair labour practice.

Unions should also have access to company profit figures, the statement says and wages should automatically be linked to the consumer price index. Fosatu also believed that a minimum wage level of R2 an hour should be established.

The three major motor firms in South Africa — Ford and General Motors in Port Elizabeth and Volkswagen in Uitenhage — are investigating the suggestion of a living wage for employees.

cannot be removed costlessly. The fact that an institution is imposed on the market implies costs beyond those experienced in an ideal market.

The existence of an institution such as the control board proposed leads also to the costs for society that result from rent-seeking. (7) The regulations acquired by the industry may be operated primarily for its benefit. The incentive for graft and corruption may generate significant costs. (8)

However, these costs may be reduced by ensuring that the controls are exercised in full view of the rest of the industry and the medical profession. For the controls do not include quantitative restrictions such as licensing, which encourage rent-seeking behaviour. They are based on price/quality, more open to assessment by parties not represented on the central board. (9) These factors should enable the costs of the board to be kept within its benefits.

The basic role of the board will therefore be to correct the distortions that arise from the demand side of the market. Effective signals will be generated from the market demand that enable supply to be called forth.

This type of co-ordination is what is needed in the market, for it has shown that the supply side of the industry is currently ineffective and that the types of proposals to regulate supply (i.e. Nationalisation or direct control) would generate major distortions and inefficiencies. A centralised board is merely a device for ensuring the voicing of the demand side of the market. And this allows a more efficient combination of supply and demand forces to service the drug market.

(9.4) CONCLUDING COMMENTS:

The analysis of this paper has shown that there are flaws in the flow of information in the drug market which impose costs on the allocation of resources. However, no market is ever provided with perfect information. Given the amount of information that can be obtained economically, the problem

# Living wage urged in place of minimum wage

STATE  
13/4/81  
242

Labour Reporter

The Transvaal branch of the Federation of South African Trade Unions (Fosatu) has rejected the concept of a minimum wage and called for the establishment of a "living wage" for workers.

In a statement released today Fosatu rejected concepts such as the poverty datum line and the minimum effective level for

working out living standards for employees. "These scientific surveys are based on some abstract formula of what workers need to live on. They are normally inaccurate because they talk about a non-existent family of five, something which few Africans know about and they are based on non-workers (ma-

agement) decisions of what a worker needs to live," the statement says. In place of these surveys a living wage should be introduced by managements based on worker requirements and company negotiations for higher wages. "A living wage can be achieved only through the acceptance of employers and the State of the right to negotiate wages at both plant and national level," the statement adds.

Fosatu also demanded the legal recognition of the right of organised workers to bargain for higher wages. It felt that where this was not the case management should be seen as having committed an unfair labour practice. Unions should also have access to company profit figures, the statement says and wages should automatically be linked to the consumer price index.

Fosatu also believed that a minimum wage level of R2 an hour should be established. The three major motor firms in South Africa — Ford and General Motors in Port Elizabeth and Volkswagen in Uitenhage — are investigating the suggestion of a living wage for employees.

**POVERTY LEVELS**  
 FN 8/5/81  
 Not by bread alone

242

The current six-monthly updated household subsistence level (HSL) figures have been released by Professor Johann Potgieter, director of the Port Elizabeth Institute for Planning Research. He has released the new HSL scales despite the fact that their use as a base in wage negotiations has been severely criticised by the Federation of SA Trade Unions (Fosatu).

Fosatu has persistently argued that HSL figures do not reflect the real needs of SA's workers because "they are worked out without consultation with organised workers and are based on some abstract formula of what workers need to live on". The federation has called for a R2/hour national minimum wage — a figure which is almost double the average HSL figure. Last year, in the first attempt to break away from HSL based negotiations, Port Elizabeth motor companies and the Fosatu-affiliated National Motor Assembly Workers' Union agreed to call in an "independent" body to assess a "living" wage

**HOUSEHOLD SUBSISTENCE LEVEL FOR SURVEYED CENTRES — APRIL 1981**

	% increase since:				% increase since:				% increase since:		
	HSL	April 1980 (12 months)	Oct 1980 (6 months)		HSL	April 1980 (12 months)	Oct 1980 (6 months)		HSL	April 1980 (12 months)	Oct 1980 (6 months)
Cape Town				Durban				King William's			
Blacks	209,01	16,4	1,0	Blacks	205,08	13,7	6,1	Town			
Coloureds	213,52	16,0	1,8	Coloureds	215,03	11,4	4,2	Blacks	186,12	8,2	0,9
Port Elizabeth				Pretoria				Coloureds	193,26	16,4	2,6
Blacks	198,01	17,3	7,5	Blacks	198,58	12,0	1,5	Uitenhage			
Coloureds	208,27	21,5	9,6	Coloureds	205,36	13,1	0,6	Blacks	201,75	18,9	8,3
East London				Johannesburg				Coloureds	189,83	26,1	12,4
Blacks	199,68	11,3	1,9	Blacks	216,22	20,1	8,0	Umtata			
Coloureds	200,52	16,3	7,9	Coloureds	222,52	15,6	5,3	Blacks	187,09	11,8	4,6
Kimberley				Bloemfontein				Vaal Triangle			
Blacks	201,93	16,7	5,6	Blacks	203,80	15,9	3,9	Blacks	206,13	16,0	6,0
Coloureds	210,10	18,2	6,7	Coloureds	210,69	15,7	3,7	Windhoek			
								Blacks	233,76	16,3	—
								Coloureds	272,12	14,2	—

for workers in the area. To date nothing concrete has materialised, although the matter will be discussed in the industry's

Industrial Council meeting this week. Potgieter insists that his figures are a "conservative assessment" of workers'

living needs. "HSL figures omit modern day necessities and should be used with discrimination. Incomes must be consider-

ably higher than indicated in the HSL, and at least equal the HEL (household effective level) figures," he says.

Unfortunately HSL figures have been institutionalised in wage negotiations by the EEC and Sullivan codes. The EEC codes insist that employers' pay minimum wages equal to the local HSL figure plus 50%, while the Sullivan code calls for HSL plus 30%. Fosatu has rejected foreign codes as paternalistic. Says Joe Forster, Fosatu general secretary: "We do not need others to tell us what we require. This applies to wages as well."

But, argues Potgieter: "The figures are now accepted as a norm which is not what I originally intended. They should be used as a yardstick for wage negotiations. It's clear that nobody can live on bread alone and that additional incomes are needed to fulfil daily requirements."

He says, however, that some objective criterion is essential as a point of departure. "I don't see how there can be negotiations without some objective measure. It is then up to organised labour to negotiate the living wage required." He says it is impossible to collate the information with the help of unions and employers as "either one of the parties would find it unacceptable. I don't think we will ever reach agreement on this aspect. That is why we have remained independent."

Forster argues that "minimum has become maximum" where the HSL figures are quoted in negotiations and that it is in management's interests to stick to the figures. "We cannot begin talking about a living wage where managements insist on sticking to HSL figures," he says.

Potgieter, on the other hand, does not feel the HSL figures pin wages at unreasonably low rates. He says that many companies in commerce and industry still do not meet the HSL requirements and that his figures provide an incentive for improving wages. "They can still be used to a positive end if employers are committed to getting there."

HSL figures are synonymous with poverty datum line (PDL) figures. Household effective level (HEL) figures — or minimum effective level figures (MEL) — are HSL (or PDL) plus 50%. The additional 50% accounts for "non-essential essentials."



# City 'expensive' for blacks and coloured

Argus 7/5/81  
R42

Argus Bureau  
PORT ELIZABETH

The cost of staying alive has gone up 'moderately' for blacks and coloured people in the past six months and Cape Town is still one of the most expensive cities in the country.

This emerges from the latest six-monthly review of the household subsistence level (HSL) for these people in 22 urban centres, published by the Institute of Planning Research at the University of Port Elizabeth.

The HSL is the monthly cost for a black family of six or a coloured family of five — or given composition — to subsist, taking into account primary costs such as for fuel, electricity, lighting, washing and cleansing, as well as transport and rent.

The figures show Johannesburg the most expensive urban centre for blacks and coloured people to subsist in — R216,22 a month for blacks and R222,52 for coloured.

For Blacks, Cape Town follows with a R209,01 and

this city lies third after Durban (R215,03) for coloured, with a figure of R213,52.

The report says that if a graphic HSL increase curve is extended to make a projection for 1985, it indicates that the HSL for a black household in the five major urban centres could reach R305,00 a month.

It is interesting to note from the graphs that, generally speaking, a six-month period of high increase is usually followed by a "levelling off" period, says the report.

In the present six-month update a moderate increase of 5,2 percent was calculated for blacks in the five major centres, compared to a high 10,0 percent for the previous six-month period ending October 1980.

During the corresponding six-month period ending April 1980 a low increase of 3,1 percent was again found.

The picture for coloureds was similar. Over a 12-month period the increase for the black and coloured population groups for these centres were 15,9 and 15,4 percent respectively.

THE BREADLINE

Surge in costs

(242)

FM 23/10/81

The Household Subsistence Level (HSL) for blacks in some urban centres of SA has risen by between 18% and 21% in the past year according to a survey conducted by the University of Port Elizabeth's Institute for Planning Research

The HSL is a theoretical monthly minimum required by a black family of six and a coloured family of five to survive. It includes rent, food, clothing, fuel and light, washing and cleansing materials and trans-

HOUSEHOLD SUBSISTENCE LEVEL FOR SURVEYED CENTRES  
SEPTEMBER 1981

CENTRE	HSL R.	% increase since		CENTRE	HSL R.	% increase since		CENTRE	HSL R.	% increase since	
		Oct 1980 (12 months)	April 1981 (6 months)			Oct 1980 (12 months)	April 1981 (6 months)			Oct 1980 (12 months)	April 1981 (6 months)
Cape Town				Durban				King William's			
Blacks	231,64	12,0	10,8	Blacks	228,68	18,3	11,5	Town			
Coloureds	231,82	10,5	8,6	Coloureds	234,55	13,7	9,1	Blacks	206,60	12,0	11,0
				Indians	269,98	—	—	Coloureds	208,27	10,6	7,8
Port Elizabeth				Pretoria				Uitenhage			
Blacks	219,46	19,2	10,8	Blacks	218,23	11,5	9,9	Blacks	221,42	18,8	9,7
Coloureds	222,73	17,2	6,9	Coloureds	222,88	9,2	8,5	Coloureds	200,62	18,7	5,7
East London				Johannesburg				Umtata			
Blacks	219,45	12,0	9,9	Blacks	242,49	21,2	12,1	Blacks	209,77	17,3	12,1
Coloureds	216,74	16,6	8,1	Coloureds	237,81	12,6	6,9	Vaal Triangle			
								Blacks	222,15	14,2	7,8
Kimberley				Bloemfontein				Windhoek			
Blacks	217,43	13,7	7,7	Blacks	223,24	13,8	9,5	Blacks	250,44	—	7,1
Coloureds	211,51	12,5	5,4	Coloureds	234,86	15,6	11,5	Coloureds	294,03	—	8,0

port to and from work, but does not take medical expenses into account

The institute has found that the HSL for blacks in Johannesburg has risen by 21,2% in the past year, in Port Elizabeth it has risen by 19,2%, in Uitenhage by 18,8%, and in Durban by 18,3%. In most other urban areas the HSL for blacks has risen by between 10% and 14% in the past year

Windhoek is the most expensive city for blacks to live in — its HSL is calculated at R250,44. Johannesburg is a close second (R242,49), Cape Town third (R231,64) and

Durban fourth (R228,68)

The institute estimates that based on the rate at which the HSL has been rising, and providing that the current rate of inflation remains basically unchanged, the average HSL for blacks in SA's five major urban centres could reach R388 per month by October 1985

The rise in the past year appears to have resulted from sharp increases in rents (especially in Soweto), substantial increases in food, fuel and electricity costs, as well as slight rises in transport tariffs

The institute reports that the average increase for 13 comparable regions for the past six months and the past year is the highest recorded since the start of the institute's surveys in 1972

Most coloured areas have not been affected by rent or high transport increases and HSLs for coloured families have, therefore, been affected mainly by food price rises and moderate clothing price increases. Nevertheless, HSLs for coloureds in Uitenhage and Port Elizabeth have increased by 18,7% and 17,2% respectively in the past year

For the first time the institute has calculated an HSL for Indians in Durban. It estimates this to be R259,98 for a family of six.

Increasingly wide use is being made of the institute's HSL calculations by commerce and industry, but some trade unionists argue that these figures do not reflect the real needs of workers.

The institute has, however, maintained that the HSL is a conservative assessment of workers' living needs. It should be used with discretion, because ideally, wages should be appreciably higher than it. The institute's director, Professor Johann Potgieter, is disappointed that the figures are now accepted by many people as a norm. He believes that they should be used only as a yardstick in wage negotiations.

He disagrees with unionist claims that HSL figures actually pin wages at unreasonably low levels. In fact, he says, many companies pay less than the HSL and that the institute's figures therefore provide an incentive for improving wages.

(242) D. Dispatch  
30/12/81

# Urban black families need R350 a month

JOHANNESBURG — Township residents in the five major centres now need about R350 a month to effectively maintain a minimum standard of living for a family of six, according to the South African Institute of Race Relations (SAIRR)

This sector has been hardest hit by price increases during the past year as the Household Subsistence Level (HSL) outstripped the 16,1 per cent consumer price index increase by 5,1 per cent over a twelve month period from October last year to September this year

According to the institute the HSL for township residents in Johannesburg has increased 21,1 per cent to R242,49 a month over this period

The average increase for 13 comparable centres over this period was 14,5 per cent — the highest recorded since 1972

The HSL is regarded as the absolute minimum because about one-third of income is spent on unspecified necessities

The Household Effective Level (HEL) for Johannesburg township residents — the monthly income necessary to effectively maintain the standard of short

term health and decent living — has shot up to R363,02 (HSL plus 50 per cent)

This could reach R388 a month in 1985 provided that the current rate of inflation remains more or less at its present level

For Johannesburg coloureds the minimum effective level of income has shot up 12,6 per cent to R356,72 a month

Quoting a report by the Institute for Planning Research at the University of Port Elizabeth, the SAIRR said blacks in Cape Town now needed at least R347,46 with Durban the third highest at R343,02 per month.

The study shows that transport costs for blacks are lowest in Port Elizabeth at R5,20 a month, Johannesburg at R9,96 and Pretoria at R9,75

Cape Town is the most expensive at R14,30 a month followed by Durban at R11,48

Johannesburg township residents, however, spent the most on rent at R39,10 a month with Pretoria second at R24,35 a month

A further rent increase of R8,00 a month for Sowetans became effective from October 1, 1981 — DDC



ern Cape was a direct and gross interference in the making of a law. It was the Government's duty to see that the law was made in accordance with the provisions of the Act. The Government has a duty to see that the law is made in accordance with the provisions of the Act. The Government has a duty to see that the law is made in accordance with the provisions of the Act.

# New Recipe for Civil Service

ARCUS 2/2/82

Parliamentary Staff

THE establishment of machinery whereby the Civil Service could exercise bargaining power would be more effective in regaining the confidence of the disillusioned Civil Service than another salary increase, Mr Kowale Marais (PFP Johannesburg North) told the Assembly yesterday.

Speaking during the no-confidence debate, Mr Marais said the Government appeared to have only one recipe for keeping the Civil Service happy — small increases which did not keep pace with the cost of living.

Civil servants had lost confidence in the Government, which could not afford to satisfy them financially. One way of making them more satisfied was by breaking up the squatter shacks one did not solve the housing problem by forcing people from one end to another one did not solve unemployment and poverty.

Now that we know all this it is not enough that we simply take note of it — the Government has to act on it, he said.

But acting on it the Government must be seen to do so. This is what is at stake when the Government decides to confront the right wing Co-operation or Contractors' over the future of South Africa, he said.

When the Government decides to confront the right wing Co-operation or Contractors' over the future of South Africa, he said.

## Slabbert fears steady

## destruction of Press freedom

Parliamentary Staff

inhibits the functions of a free Press in our country, the Government will act

**1,72**

**CLAIROL**

**TURBO**

**HAIR DRYER**

**MD2**

• NORMAL

• JHY

• NORMAL

• HEAT GUARD

**1,85**

**CLAIROL**

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• 1200 WATTS

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**CLAIROL**

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**VICTORIA**

**STANDING**

**FAYS**

**ROTOR**

riod February 1981 to February 1982," says the institute "In fact, the HSL for only two areas — Bloemfontein (12,8%) and Windhoek (11,8%) — increased at a lower rate than the CPI"

There are signs that rises in the coming six months may be steep The institute says past findings indicate that a six-month period of high increase is usually followed by a "levelling off" period and vice versa

## THE BREADLINE FM 16/4/82 Holding steady

The rise in the Household Subsistence Level (HSL) for blacks and coloureds in many urban centres of SA during the past six months has been relatively moderate However, the latest HSL survey by the University of Port Elizabeth's Institute for Planning Research reveals sharp increases on the East and West Rand

The HSL is a theoretical monthly minimum income required by a black family of six and a coloured family of five to survive It includes rent, food, clothing, fuel and light, washing and cleansing materials and transport to and from work, but does not take medical expenses into account

The rise in the HSL in the past six months for most urban centres surveyed has been moderate compared with rises during the six-month period ending in September last year In that period, the HSL for most areas rose by more than 9% In the past six months, rises in most areas have been lower than this figure

Sharp increases have, however, occurred on the Witwatersrand in the past six months, 11,8% in Springs, 10,7% in the Vaal Triangle and rises of about 9% in Benoni, Boksburg, Brakpan and Germiston

The average increase for 13 comparable surveyed centres over the past six months is 4,7% and 16,3% for the past year This latter increase is the highest recorded for a 12-month period since the start of the institute's surveys in 1972

"It is also substantially higher than the Consumer Price Index of 13,6% for the pe-

## HOUSEHOLD SUBSISTENCE LEVELS

### April 1982 Survey

CENTRE	HSL —R—	% increase since		CENTRE	HSL —R—	% increase since		CENTRE	HSL —R—	% increase since	
		April 1981 (12 months)	Sept 1981 (6 months)			April 1981 (12 months)	Sept 1981 (6 months)			April 1981 (12 months)	Sept 1981 (6 months)
Cape Town				Durban				King William s Town			
Blacks	238,16	13,9	2,8	Blacks	236,26	15,2	3,3	Blacks	216 10	16,1	4 6
Coloureds	242,96	13,8	4,8	Coloureds	255,68	18,9	9,0	Coloureds	229,71	18,9	10 3
Port Elizabeth				Indians	275 31	-	5,9	Uitenhage			
Blacks	231,23	16,8	5,4	Pretoria				Blacks	238 52	18,2	7,7
Coloureds	238,19	14,4	6,9	Blacks	232,18	16,9	6,4	Coloureds	216,74	14,2	8,0
East London				Coloureds	240,67	17,2	8,0	Umtata			
Blacks	235,17	17,8	7,2	Johannesburg				Blacks	219 53	17,3	4 6
Coloureds	232,83	16,1	7 4	Blacks	256,53	15,3	5,8	Springs			
Kimberley				Coloureds	258 19	16,0	8 6	Blacks	229,43	21,4	11,8
Blacks	235,92	16 8	8,5	Bloemfontein				Vaal Triangle			
Coloureds	242,64	15,5	9,5	Blacks	229 86	12,8	3,0	Blacks	246,02	19,4	10,7
				Coloureds	249 51	18,4	6,2	Windhoek			
								Blacks	261,37	11,8	4,4
								Coloureds	311,71	14,5	6 0

# Poor need 14 percent more for 'decency'

Consumer Reporter

POOR black and coloured families in Cape Town now need nearly 14 percent more money than they did a year ago to maintain a "minimum level of health and decency."

A report to this effect by the Institute of Planning Research at the University of Port Elizabeth is quoted in the current issue of the Cape Chamber of Industries bulletin.

The consumer price index shows that the average cost of living in Cape Town as a whole went up by 16,06 percent in the 12 months ending in March this year.

**FAMILY**

The Institute of Planning Research compiles regular reports on the minimum needed by a family of six black people or five coloured people in different cities.

The figures for Cape Town, based on price surveys carried out in March, show that the black family now needs at least R238,16 a month.

Last September it was estimated that the family would need R231,64 and in April last year R209,01. This means they now need 13,9 percent more than in April last year.

**COLOURED**

The figure includes R18,09 for rent and R14,60 for transport.

The figures show that the coloured family, who needed R231,82 last September and R213,52 in April last year, now need R242,96. This is 13,8 percent more than in April last year.

The figure includes R27,06 for rent and R12,88 for transport.

ed by 1977/78 and with

1974 affiliated to TUCSA other unions formed FOISA

Registration: Yes

Founded: 1939

Area of Operation: We

Officials: Secretary:

8001

Cape Town

Corporation 5

Address: 201/4 City Ce

Telephone: (021) 433658

1980
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460	White
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222	
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322	
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Total	White

Fosatu Annual Report 1980/81

NO

JEWELLERY

# Fund for malnourished children

ARGUS  
27/7/82

242

THE fourth annual World Vision 40-hour Famine, to raise money to feed malnourished children in South Africa, will take place in September.

Mr David Cuthbert, support director of World Vision in Southern Africa, said today that more than 50 000 children under the age of five could lose their lives in South Africa this year due to malnutrition and related diseases

Since 1979, more than R1,2-million had been collected by participants in their annual 40-hour

famine. "This is being used to save lives, and set thousands of little children on the road to good health," he said.

The fourth famine will take place between September 10 and 12 and organisers expect 55 000 South Africans, of all races, to go without food for 40 hours and be sponsored, by the hour.

## 38 PROJECTS

During the course of 1983 funds raised this year would be used to help 38 feeding and development projects, provide daily meals to malnourished children and to educate people on nutrition, he said.

"As the poor in our land continue to reel under the rapid cost rises in basic foods, and search for skills that will enhance their lives, they will really be encouraged if people took part in the famine," he said.

Anyone wishing to participate in the famine should write to World Vision, "40-hour Famine," Box 32180, Braamfontein, 2017.

community future  
to fight hold mi behind military had to and eco-  
his prot destroy nation mmunity, be imple-

## Missing man may have been murdered

Staff Reporter

BOLAND police are investigating the possibility that Mr A H P van Zyl, who went missing on Aurora Mountain two weeks ago, may have been murdered.

Mr Van Zyl, 58 was reported missing on August 9, when he failed to arrive home after leaving work earlier that day.

The search began after his car, with lights and windscreen wipers on, was found abandoned on the slopes of the mountain near the farm, Gys se Kraal, where he and his partner farmed proteas.

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## Pay rises 'undermine SA's competitiveness'

Staff Reporter

CONCEPTS such as the Poverty Datum Line (PDL) had been instigated by people overseas to destroy South Africa's competitiveness. Mr Basil Landau told the economic affairs committee of the President's Council yesterday.

Mr Landau, a member of the PC, said that 10 years ago South Africa had been competitive, but this had been undermined by wage increases.

"Where did all this stuff about the PDL come from? It was orchestrated by people overseas to make South Africa less competitive than them"

Mr Landau linked this



Mr Basil Landau

with an allegation by Mr Braam Raubenheimer, chairman of the committee that German trade union leaders had instigated the strikes in the Port Elizabeth motor in-

dustry to help German motor workers.

Mr Raubenheimer said these unionists, pretending to serve the interests of local workers, had merely provided the German workers with more work to do.

The discussion took place during a special debate on productivity called by Mr Landau while the committee was hearing evidence on the free-market system yesterday.

He said wage increases of 12 to 13 percent — "almost the rate of inflation" — were too high, and were in fact responsible for the high rate of inflation in South Africa.

## Body found in airport dustbin, court told

Staff Reporter

A RAILWAY police-woman told the Supreme Court yesterday she found the tightly-wrapped body of a baby in a dustbin at D F Malan airport in December last year.

Mrs Karen Visser was giving evidence in the trial of Miss Christina Beukes, 32, of Lavistown, who is charged with murdering her new-born baby.

Miss Beukes, an unmarried mother of two,

pleaded not guilty to murder, but guilty to attempted concealment of birth. The State did not accept her plea.

She conceded that she gave birth to a boy on December 16 last year and that the same baby was found at the airport later that day.

Mrs Visser told the court she was called to investigate a bundle in a dustbin in the women's cloakroom on December 16. Only when she unwrapped part of it did she become aware it contained a baby.

A State pathologist, Dr L van Ieperen, said the baby died as a result of a shortage of oxygen. The towel and nightgown could have caused his death, he said.

Under cross-examination, Dr Van Ieperen said it was unlikely the baby died during birth. He was large — 5kg — and showed no signs of illness or internal obstruction of

his air passages.

His lungs were fully dilated and there was a strong likelihood he had breathed outside his mother's body.

Miss Beukes's aunt, Mrs Johanna Siljeur, said Miss Beukes had lived with her during her pregnancy and had never wanted the baby. They had planned to take her to a home for unmarried mothers but shortly before the birth she had refused to go and had left their home.

She said Miss Beukes's two children were being cared for by other people. The baby's father, who was a boarder in a relative's house, had not been prepared to marry her.

The hearing continues today.

Mr Justice Fagan sat with two assessors, Mr J J Basson and Professor D van Zyl Smit. Mr H Barnard appeared for the State. Mr W Duminy appeared pro Deo for Miss Beukes.

## Concert a curate's egg

SYMPHONY CONCERT, City Hall, Thurs 19th; CTSO conducted by Brian Priestman, soloist Yonty Solomon, Josephs Variations on a Theme of Beethoven, Op 68, Haydn Symphony No 45 in F sharp minor ("Farewell"), Rachmaninov Piano Concerto No 3 in D minor, Op 30.

A FULL house packed the City Hall for what proved to be a concert of curate's egg dimensions. Joseph's Variations afforded a witty start to the proceedings although presages of poor ensemble crept in. Thereafter...

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**UNIVERSITY OF CAPE TOWN  
EXAMINATION ANSWER BOOK**

FARM LABOUR *FM 17/9/82*  
**Circle of poverty** (242)

EVERY CANDIDATE MUST enter in column (1) the number of each question answered (in the order in which it has been answered), leave columns (2) and (3) blank

All answer Number  
Number

Surname

First Name

Date

Degree/C you are re

Subject

Paper No

Increasingly tight controls to channel rural blacks into farm labour have failed to provide a secure and stable workforce for agriculture, according to a report submitted this week to the National Manpower Commission investigation into farm labour

The report, compiled by the Farm Labour Project — 'a group of concerned individuals' — portrays an alarming view of the conditions under which many farm labourers work. Its authors include people from various professions and academic disciplines who have a knowledge of labour matters. Among them is Marian Lacey, author of *Working For Boroko* a book which analyses the origins of SA's coercive labour system.

Laws and regulations which have forced rural blacks into farm labour have resulted in some farmers not being prepared to compete for labour on an open market, says the report. Instead they rely on using the labour of destitute people who are not allowed to be registered in other employment, and who work on the farms as a last resort.

Farmers who treat their workers well have adequate supplies of labour. But

(to be copied from the requirements)

Farmers who do not provide competitive conditions are afraid to train their labour because they know that trained workers will seek better jobs elsewhere. The report argues that the development of agriculture in SA is being retarded by the reliance on the exploitation of cheap labour.

It points to a vicious cycle which has been created against the background of impoverishment in the reserves. "Because the conditions of employment are so poor, blacks are reluctant to undertake farm labour. Because blacks are reluctant to undertake farm labour, the farming community has asked for greater legislative intervention to ensure a captive labour supply. Because there is a captive labour supply, the conditions of employment remain poor and uncompetitive."

**NOTE CAREFULLY**

- 1 Enter at the beginning of the block of the question your answers. The final outcome is an untrained, unstable and erratic labour force for farmers.
- 2 Blue or black ink must be used for writing answers. There is a realisation in SA that government cannot afford to subsidise unviable and inefficient farming. Says the report "Laws which force people to be farm workers at whatever wage and under any conditions are also a form of State subsidy to those farmers who choose to exploit the situation."
- 3 Names must be written in full (e.g. graph) in the examination.
- 4 Do not write in the margins.

**Any dishonesty**

A government survey in 1980 revealed that real wages and working conditions of farm workers have deteriorated in the past 20 years. It found that in many parts of SA full-time farm workers were earning a

monthly cash wage of less than R34, plus about R30 to R50 in non-cash benefits. But, says the report, "our surveys have revealed wages far lower than these." It says in some areas it is common to find employees who are not paid a cash wage, or are paid as little as R2 or R6/month.

	Internal	External
(1)	(2)	(3)
5	72	
7	55%	

**WARNING**

- 1 No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
- 2 Candidates are not to communicate with other candidates or with any person except the invigilator.
- 3 No part of an answer book is to be torn out.
- 4 All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

**Qualification and to possible exclusion from the**



**UNIVERSITY OF CAPE TOWN  
SOWETO SURVEY BOOK**

**Poor prospects** (2/2)

FM 17/9/82

At least 40% of the houses in Soweto are ineuitable for leasehold rights. This has emerged after four months of aerial surveying of stands in Great Soweto for leasehold purposes. Nonetheless all residents could indirectly be paying for the survey.

All answer books

Number of
Number of

According to the West Rand Administration Board's (Wrab) senior administrative officer (housing), Leonard Kline '24 901 row-houses and semi-detached units in Soweto, 16 954 in Diepkloof and Meadowlands, and 2 096 in Dobsonville are unsuitable for leasehold purposes. Leasehold can't be registered on these units until a sectional title register is opened."

Surname

First Name(s)

Date

Degree/Diploma you are registered

Subject (to be copied)

Paper No (to be copied)

Last year the Viljoen Committee recommended the application of sectional title in Soweto, but since then nothing has happened. Wrab's Alec Rabie says "Sectional title has not been accepted by government. It's not on the cards at the moment."

At present 99-year leasehold legislation does not make provision for sectional title. This would require an amendment to the Black Urban Areas Act or the promulgation of new legislation.

Nonetheless Wrab has proposed that all Sowetans will pay approximately 36c month per stand to cover survey costs, financed up front from the R150m loan from a consortium of foreign banks for the upgrading of Soweto's infrastructure.

Rabie says "We are investigating the financial implications of the bulk survey for those who will not benefit from the survey. Obviously it would be unfair to penalise people who will not benefit."

The levy comes at a time when a recently released Unisa survey reveals a sharp deterioration in the economic position of Soweto households, with 28,6% of Soweto households living below the university's minimum living level, and that 41 4/10% are living below the supplemented living level, which includes a small amount for luxuries.

**NOTE CAREFULLY**

- 1 Enter at the top of the block of question papers. Blue or black ink for answers. Underlining, emphasis or for diagrams, for which pencil may also be used.
- 2 Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
- 4 Do not write in the left hand margin.

EVERY CANDIDATE MUST enter in column (1) the number of each question answered (in the order in which it has been answered), leave columns (2) and (3) blank

	Internal	External
(1)	(2)	(3)
B6	55	
B5	46	
Examiners' Initials		

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**Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University**

# The 'global soup kitchen' won't spell end to famine

Star 14/10/82

(242)

By Pat Bulger  
The Star's Africa  
News Service

When famine gripped parts of Nigeria during the Biafran War in 1968, the developed world responded by dispatching tons of surplus food to the starving millions.

Switzerland sent a huge quantity of Emmentaler cheese — a foodstuff foreign to the West African people who drank little milk at any time.

The result? Adults would not even taste it and children dutifully swallowed a few mouthfuls and then vomited.

When the storage of sweating cheese became too difficult it had to be buried.

With such stark anecdotes, two experienced food aid workers with the development funding agency Oxfam, Tony Jackson and Deborah Eade, have advanced a strong case to suggest that food handouts do not redress the hunger problem — they aggravate it.

They publish their findings in a book called "Against the Grain" and concluded: "The problem is not one of food but poverty."

The Third World, Africa in particular, is seen as a vast refugee camp with hungry people lining up for food from the global food aid soup

More than R1 000 million worth of food is sent to developing countries yearly. But are prosperous countries killing their poorer counterparts with "kindness"? Newly gathered facts strengthen this view.

kitchen. This view is false."

Of the R1 000 million worth of food set aside by the United States, the European Economic Community, Australia, Canada and Japan for export to the Third World every year, one third is given away to about 60 million people as food aid.

It is intended as a buffer against hunger with strong development incentives.

Yet, Jackson points out, it achieves the opposite and increases reliance on handouts.

Lesotho, for example, had its first taste of food aid during the 1962 drought. By 1968 food aid constituted 10 percent of its food requirements, and by 1979 half the population relied on US handouts.

Once an emergency is over, food aid should be stopped," Jackson recommends.

Ironically, tons of

free food have been known to effectively blow the bottom out of local markets. Local agricultural economies that took years to build can be destroyed by a few thousand tons of free maize.

The 1976 Guatemala earthquake was accompanied by thousands of tons of maize imports — even though crops were unaffected.

As a disincentive to enterprise, food aid has had devastating effects. A worker in one country commented: "Villagers came to find it more attractive to sit by the roadside waiting for distribution than to go back to work."

Jackson submits it will be difficult to solve the food aid dilemma while a major donor like the US has its food aid policies dictated by the requirements of a minimum mandated tonnage.

By congressional mandate, the US must deliver a minimum tonnage of food aid each year, whether it is needed or not.

He suggests limits on the amount of food distributed, a set cut-off time and more effective management as part of the solution.

"It may be going against the grain to call for a substantial reduction in non-emergency projects food aid," Jackson writes.

"However, analysis of the experience of the last 25 years suggests that it is time we did."



# HSL 'not true guide to costs'

£ Post 15/10/81

By SANDRA SMITH

**TWO academics warned today that the danger of setting a Household Subsistence Level (HSL), similar to the one released by the Institute for Planning Research at the University of Port Elizabeth, was that employers often used this as an indicator for acceptable salaries.**

Professor Jeremy Keenan, a University of the Witwatersrand social anthropologist involved in research on wages, said the HSL measured "a package somewhat removed from reality"

This was because it was based on, for example, a family's necessary diet over a short period of time, and not on actual consumption patterns

In terms of transport the HSL also assumed that only one person in a family was using transport to and from work

Prof. Keenan said wages often did not even meet the HSL, and many employers viewed it as a guideline for setting maximum wages

"And then they pat themselves on the back if their wages are a bit above the HSL," he said

A family living on the HSL was more often than not in dire straits. It did not represent living on the breadline, but instead on "the death line", he said

Families on the HSL level for any length of time often showed typical signs of poverty and disease

The HSL represented "pretty gross discomfort and difficulty even over a short period of time", Prof. Keenan felt.

A Rhodes University sociologist, Mr Paul Stewart, also pointed to the danger of industrialists using the HSL as a goal for wages. The real intention was to use it as a starting point only

The report released today showed that the HSL for an average, six-member African family in Uitenhage had risen by 17,8% to R260 per month during the past year

For African families in Port Elizabeth the HSL was R250, an increase of 14,1%

For five-member coloured families the increase in Port Elizabeth was 14,3% and in Uitenhage 15,8%

The lowest increase in urban centres since March was in Durban and Kimberley. The highest increases since March for coloureds were in Port Elizabeth (6,9%), Cape Town (7,1%) and Queenstown (8,4%)

Particularly high increases for Africans were in Queenstown, (10,1%) and the Vaal Triangle (10,1%)

## Latest HSL figures

A relatively moderate rise has been recorded in the household subsistence level (HSL) for blacks and coloureds in most of SA's major centres over the past six months

The HSL is a theoretical monthly minimum income required by a black family of six or a coloured family of five to survive. It includes rent, food, clothing, fuel and transport to and from work, but does not

take medical expenses into account. The average increase of the HSL for blacks in 13 major urban centres over the past six months has been 7,8%, and 12,8% since September last year, according to figures released by the University of Port Elizabeth's Institute for Planning Research. The institute says the rise in the past six months is moderate if one considers that increases of up to 11% were recorded in the same March-September period in previous years.

High increases have, however, been recorded in some regions during the past six months. Worst affected have been blacks in Bloemfontein, King William's Town, Queenstown and the Vaal Triangle.

CENTRE	HSL R	% increase since	
		Sept 1981 12 months	April 1982 6 months
Cape Town			
Blacks	257,27	11,1	8,0
Coloureds	260,22	12,3	7,1
Port Elizabeth			
Blacks	250,49	14,1	8,3
Coloureds	254,66	14,3	6,9
East London			
Blacks	253,38	15,5	7,7
Coloureds	244,96	13,0	5,2
Kimberley			
Blacks	246,21	13,2	4,4
Coloureds	250,05	12,9	3,1
Durban			
Blacks	245,88	7,5	4,1
Coloureds	261,91	11,7	2,4
Indians	283,62	9,1	3,0
Pretoria			
Blacks	247,94	13,6	6,8
Coloureds	253,05	13,5	5,1
Johannesburg			
Blacks	271,71	12,0	5,9
Coloureds	274,64	15,5	6,4
Bloemfontein			
Blacks	254,74	14,1	10,8
Coloureds	263,53	12,2	5,6
King William's Town			
Blacks	240,20	16,3	11,2
Coloureds	243,11	16,7	5,8
Uitenhage			
Blacks	260,83	17,8	9,4
Coloureds	232,40	15,8	7,2
Umtata			
Blacks	233,33	11,2	6,3
Springs			
Blacks	248,01	20,9	8,1
Vaal Triangle			
Blacks	273,13	22,9	11,0
Windhoek			
Blacks	283,74	13,3	8,6
Coloureds	324,61	10,4	4,1

*which?*

## Jo'burg most expensive city for coloureds

SRW 12/11/82 (242)

Johannesburg is the most expensive city in the country for coloured people to live in, and the Vaal Triangle is the most expensive area for blacks.

This was revealed in a report of the Institute for Planning Research of the University of Port Elizabeth, covering the period from March to September this year.

The monthly household subsistence level for blacks, which includes house rental, food, transport and fuel and light, was R271,71 in Johannesburg. The Vaal Triangle was the most ex-

pensive at R273,13 a month.

The lowest figure for a family of six black members was R245,88 in Durban with Kimberley (R246,21) and Pretoria (R247,94) close behind.

In most of the black areas surveyed there was a moderate increase in transport fares.

An increase of up to 11 percent was found in the HSL for some cities. Johannesburg had a below-average increase of 5,9 percent, while the lowest rises were 4,1 percent in Durban and 4,4 percent in Kimberley.

The highest increase was in Queenstown, where a rise in rental made up about three percent of the 14 percent increase.

For a coloured family of five, Johannesburg was the most expensive city in the country, with the HSL at R274,64 a month.

East London was the cheapest at R244,96 a month.

The percentage increase was low because rentals remained unchanged and there was a low increase in transport fares at four centres.

The average increase in HSL of 5,6 percent

was lower than the eight percent during the previous six-month period.

Price increases were moderate in general.

Meat was found to be cheaper than six months ago, and the price of vegetables remained more or less the same. The prices of dairy products increased by up to 25 percent.

Maize products went up in price by as much as 22 percent.

There was, however, a low percentage increase in the HSL for coloured people in general since March 1982.

St Express 14/7/97

# Living costs in Cape Town

By AHLENF GETZ

Black and coloured families living on the breadline have seen a slight slowdown in the cost of living during the past year.

A six-member black Johannesburg family now needs at least R2717 — an increase of 1.5% compared with 1996, over the same period last year — to survive at the most basic level.

Cape Town far less live in the second most expensive city and would need R2438, while the white Durban family of R2438, according to the figures released by the University of Port Elizabeth's Institute for Planning Research.

The institute described the current 6.6% increase — although higher than the 4.7% increase between September and March this year — as "reasonable".

Its calculations form the Household Subsistence Level (HSL) — previously known as the Poverty Datum Line — which allows for basic needs such as food, clothing, housing, transport and fuel in urban areas but does not include education or entertainment.

Windhoek was the most expensive city to buy bread, cereals and tacks with the HSL calculated at R3743 and R283,74 respectively.

The calculated HSL for a six-member Indian household was R283 62.

**FACTORY**

**OUR BUDGET RANGE**

**R269**

**OUR BUDGET RANGE**

**R329**

**MANY OTHER DESIGNS**

**FROM 80%**

**LARGE RANGE**

# Divorcee loses R13 000 to tall, dark 'Captain'

A TALL, charming man who styles himself 'Captain' has disappeared with R13 000 belonging to a Johannesburg woman with whom he promised to emigrate to Australia.

Mrs Leshe Anne Pfafferot, 26, a travel agency manageress, obtained default judgment against Mr Dion Scheepers, formerly of Robertsham, Johannesburg, in August.

He did not make payment and was summoned to appear in the Rand Supreme Court on October 5. He failed to appear and a warrant was issued for his arrest.

Now Mrs Pfafferot believes he is in Botswana.

The court heard she had given R3 000 to Mr Scheepers for air fares, and R10 000 which he said she would be allowed to take to Australia and for which he

## SHE HAD PLANS TO EMIGRATE WITH HIM

BY DEENA SHAPIRO

would make the necessary exchange control arrangements.

Mrs Pfafferot said Mr Scheepers had not used any of the money to her benefit, and did not sincerely intend emigrating to Australia.

Had she known he was not sincere she would not have entered into the contract and she wished to cancel it.

Mrs Pfafferot also claimed R5 000 for defamation of character.

Mr Justice Curlewis heard

that towards the end of June Mr Scheepers had told Mrs Pfafferot's employer, Mr Rui Cerejo "You must be careful about cash in your office because Leshe and her family are a bunch of crooks".

She was awarded R3 000 'damages'.

The same day Mr Cerejo, owner of Southdale Travel Agency, also obtained default judgement against Mr Scheepers for R4 800,96 which he said Mr Scheepers owed the agency.

After the case Mrs Pfafferot said she first met Mr Scheepers in January last year when he came into the Southdale Travel Agency, where she worked.

She was then in the process of getting a divorce.

"After I had known him for a while we became very close. I wanted to start anew and agreed to go to Australia and set up house with him," she said.

Mrs Pfafferot described Mr Scheepers as tall, well-built with an olive complexion.

She said she got some of the money she gave to Mr Scheepers from her divorce settlement — and borrowed the rest from her family.

## The spotlight falls...

NEXT week the Sunday Express 'Spotlight on the Suburbs' feature will focus on Rivonia, the sleepy Sandton village to the north of Johannesburg.

Although it's changing fast, Rivonia still has a village-like quality, with old homes and 'quiet' wealth.

But Rivonia is also where one of the biggest South African political plots was hatched.

Read about Rivonia in next week's Sunday Express.



# CARPETING?

## COME TO THE DEAL

ad

# Firm denies starvation wages claim

By DIANNA GAMES

AN EXECUTIVE of a British company in South Africa has denied a report from London that their employees are paid "starvation wages"

Mr A Dixon Seager of Quinton Hazell in South Africa was reacting to a story from London in the Rand Daily Mail this week

The report said that Quinton Hazell, of which Mr Denis Thatcher, husband of Britain's Prime Minister, is a director, could soon be at the centre of a row about the payment of "starvation wages" in South Africa

This came after copies of a government report on wages paid by British and European companies operating in South Africa, to be published in April, were leaked to the public.

The report measures progress on the EEC and Unisa codes of conduct and wage levels. It was designed after a major scandal some years ago over the low wages paid by British-owned companies. The story says Quinton Hazell last year paid 351 workers below the recommended level with the lowest wage being R54.

Mr Dixon Seager said the report, set up by the House of Commons, called on South African companies with British majority shareholdings to

remit an annual report. He said they are remitted to the UK in July and presented in April the following year, which makes them seven months old when they are printed.

He said R54 was the minimum wage level for grade one employees who had a maximum of eight weeks' training.

The figure was increased by 12% at the end of training and was reviewed every six months thereafter.

He said salaries were compiled on market rates and were worked out domestically because overseas estimations could put South African companies beyond the market rate, and thus into a non-competitive situation.

The report failed to define what "starvation wages" were, he said.

"We are striving towards paying higher wages, but at the same time we are a public company and have a responsibility towards our shareholders," he said.

Quinton Hazell's wages were well in excess of the statutory minimum laid down by the industrial agreement in this country, he said.

There were economic considerations which prevented large wage increases especially in this time of recession, he added.

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242

# Many British firms in SA still paying poverty wages

## Secret Report lists top 9

LONDON - British companies are still paying poverty wages to their 130 000 workers in South Africa - despite British government support for the EEC Code of Conduct.

And unpublished figures submitted to the British government by some of the country's largest employers reveal that the number of black workers paid below the Minimum Living Level actually

rose last year. The EEC code recommends that European companies operating in South Africa pay their workers above the Supplemental Living Level (SLL).

For British Prime Minister Margaret Thatcher the figures are particularly embarrassing - her husband Denis is a director of Quinton Hazell, which has in the past year more than doubled the number of its Johannesburg workers paid

below the SLL. At the same time, Quanton Superite in South Africa had "a particularly good year" - its profits rose to R3 140 000.

I have obtained copies of the 1982 submissions to the British government by leading UK companies operating in South Africa.

These annual submissions, which measure progress in implementing the EEC Code of Conduct on

South Africa, are now being analysed by the UK Department of Trade.

My survey of company submissions already received by the British government shows that the EEC Code of Conduct has still not been fully implemented.

Ten years after a British parliamentary investigation into South African wages, UK companies still pay thousands of workers less than a living wage. And thousands of black workers in British firms are not represented by trade unions for wage negotiations.

### Dunlop

Among the companies, with their South African subsidiaries in brackets, are

● BRITISH ELEC. TRIC TRACTON. 649 workers below the SLL. Lowest wage R158 a month.

● BURMAH (Quinton Hazell Superite and Castrol) 351 workers below the SLL. Lowest wage R222.

● DUNLOP: 1 025 below the SLL. Lowest wage R209. Dunlop already recognises five trade unions and is currently negotiating with the Chemical Workers' Industrial Union.

● GUEST. KEEN AND NEITLFOLODS (GKN) 192 workers below the SLL. Lowest wage R234. GKN companies are affiliated to the Steel and Engineering Industries Federation which negotiates with trade unions.

### Lonrho

● LONRHO (Western Plats, Tweefontein United Colliery, Alpha Anthracite, Witbank Consolidated, Wandrag Asbestos, Bosveld Mines, Piet Retief Colliery and Clyde Trading) No figures for miners below the MLL, but 2 479 miners in the lowest grade Lowest wage R82, plus R97 food and accommodation. Eight non-mining workers below the SLL. No trade unions.

● LOW AND BONAR (Bonar Canvaco and Bonar Long) 178 workers below the MLL. Lowest wage R119. A further 190 workers were below the SLL. Three trade unions represented.

● TURNER AND NEWALL (Ferodo and Turnall) 777 workers below the MLL. Lowest wage R141. During the past year the company has negotiated with four unions, but no recognition has yet been granted.

● GEORGE WIMPEY: 243 workers below the

The Minimum Living Level (MLL) for a family of five living in Johannesburg, compiled in February 1982, is R236 a month. The Subsidised Living Level (SLL) is the MLL plus 50 per cent.

Annual Concern for Southern Africa in London recently published a report called "Speaking Out Secret Interviews With Black Workers," which points out "Until now, everybody except the workers concerned has claimed to speak for them."

The CCSA report quotes a worker who explains how "equal pay for equal work" really operates. The companies bring in different job descriptions for the blacks and the whites: "In fact they do the same work, it's just that they're classified differently, so the black is called 'assistant so-and-so'." Although the whites often have lower qualifications than us, they have the better jobs."

● Quanton Hazell Superite spokesman Mr A E Dixon-Seager told GCP some of the points in the survey were vague. "But I haven't read the report to be tabled in British parliament, so can't say much at the moment."

The Quanton Hazell Superite R54 weekly wage quoted in Press reports was misleading he said "That is the pay of some of our new employees, mostly those ladies who make tea."

He said "suitable workers" got an increase to R61 after eight weeks.

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MLL Lowest wage R188, plus R60 in food and accommodation. A further 250 workers were below the SLL. The company claims that no approach has been made by any trade union officials.

But in some cases the company submissions are incomplete. Lonrho did not report on Dimbaza Foundries in the Ciskei. The minimum wage there is only R100 a month.

### Reports

South African workers are often unaware that copies of all the company reports for 1981 can be consulted at the British Embassy in Pretoria or at British Consulates in Cape Town, Durban and Johannesburg. The labour attache at the British Embassy, Mr Terrence Curran, also has a responsibility to monitor the EEC Code. Copies of the 1982 reports are available by post from the head offices of the companies in the UK.

But one of the problems is that the South African reality is often rather different from the picture portrayed in the company reports submitted to the British government.

● TURNER AND NEWALL (Ferodo and Turnall) 777 workers below the MLL. Lowest wage R141. During the past year the company has negotiated with four unions, but no recognition has yet been granted.

● GEORGE WIMPEY: 243 workers below the

Handwritten notes and signatures at the bottom of the page, including "672", "9812", and "79/6".

# Budget for the 'light' worker

By JOUBERT MALHERBE

AN ADULT person engaged in "light" work could live on a monthly food budget of between R50 and R60, according to a report recently published by the Human Sciences Research Council

The report — published as a "broad guideline" to social workers — deals with the maintenance costs of a family, including food, clothing and "diverse" maintenance costs

The section dealing with the cost of food, says the rations for the various age — and sex — groups were determined to represent a "balanced combination" of protein, carbohydrates, fats, minerals and vitamins

According to the food table, the food expenditure for males between 19 years and 22 years is determined at R60,32 a month, 23 years to 50 years — R59,10, 51 years to 75 years — R56,83

For females the costs determined are set at R55,41 a month for females from 19 years to 22 years, R54,81 between 23 years and 50 years and R49,15 between 51 years and 75 years

Explaining the term "light work", the report says other categories would include "moderately active", "very active", "heavy duty work", etc

Mrs Joy Hurwitz, president of the Housewives' League, described as "quite frankly ridiculous" the amounts calculated in the HSRC report

Referring to the R60,32 expenditure calculated for men between 19 years and 22 years, Mrs Hurwitz said no housewife would be able to feed a growing youngster on a minimum budget of R15 a week

# Village roofs stripped

BY DEENA SHAPIRO

ROOFS of two houses in Germiston's Edvardian Village have been stripped although the village is still waging a legal battle against its demolition. A man who claimed to be working on behalf of the Department of Community Development was seen stripping the roofs last month, but the Community Board denied authorising the work.

In a letter to the attorney of Edvardian Village campaigner Mr Paul Kendrick, the State Attorney said his clients, the Community Development Board was honouring its promise not to demolish village houses pending the Supreme Court appeal on June 1. The appeal is against a ruling by the late Mr Justice Brien Franklin that expatriation notices of several village stands were valid. The Community Development Board wants to demolish the houses to build a police complex.

# Scrap the junk: You can eat well for R60 a month, say experts

BY MIKE CADMAN

YOU' don't have to live on junk food to make ends meet — R60 a month will provide a well-balanced and nutritious diet.

A Human Sciences Research Council (HSRC) report says that's all it need cost for a carefully-planned diet with good, nutritious food every day.

The report, dealing with the monthly expenses of a family was published as a broad guideline to social workers.

Expert nutritionists said this week it was possible to live on the proposed HSRC diet but none would comment further until they studied the report. The HSRC researchers claim that R60,32 of food a

month can provide a healthy, adult male doing 'light work' with a well-balanced diet. The figure for a woman is R59,10. These figures are R33 higher than those of a similar survey done by the council in 1978, and R23 higher than a survey two years ago.

In 1978 it was worked out that a healthy adult male would need R26,91 a month for food and a woman R23,30.

You can also have 260g of brown bread and small quantities of jam, sugar, tea, salt and oil. A small amount of cereal and nuts are also allowed. The total monthly cost for this diet would be R60,32. For men in the 22-50 age group a similar diet has

been worked out at a cost of R59,10 a month. The diet recommended for women aged between 19 and 50 does not vary much to that for men of similar age. The same daily quantities of meat, fruit and vegetables are recommended. Minor quantities of differences are mentioned for brown bread, oil, butter and sugar.

The report claims that women between the ages of 19 and 50 can live on R55. The guidelines suggested for pregnant women recommend a monthly outlay of R59,50 and read as follows:

- Milk — 650ml
- Meat — 255g
- Fresh vegetables — 450g
- Fresh fruit — 220g
- No special food



● Making a meal of it — the HSRC says a male adult can eat properly on R60 a month

# Zimbabwe slaughter: Refugees still streaming into relief camp

BY STEVE TAYLOR  
FRANCISTOWN — Civilians fleeing a slaughter by Zimbabwean troops are streaming into a refugee camp about 130km northwest of Francistown at a

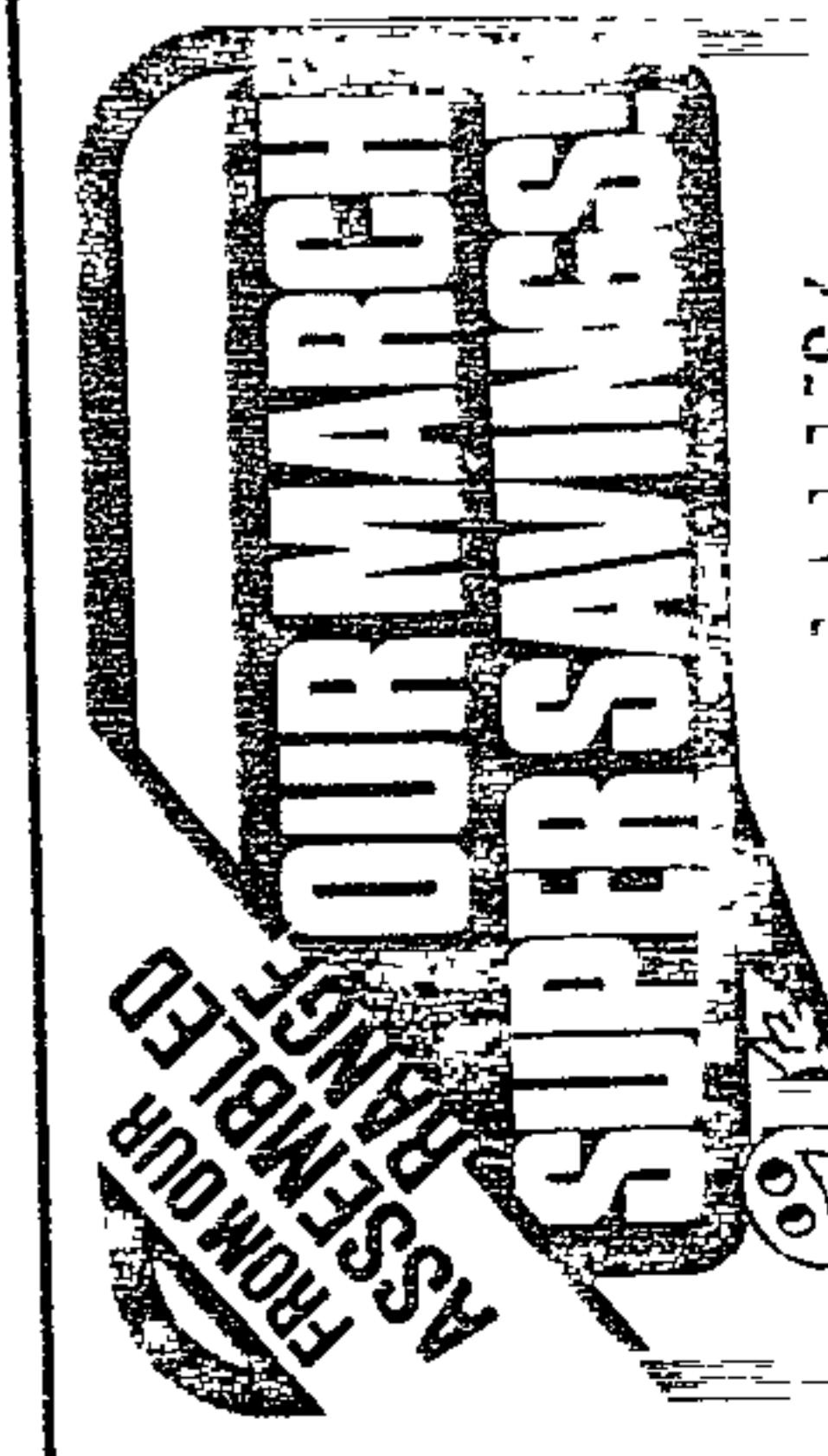
in Matabeleland since mid-January and has created deep strains between Zimbabwe and Botswana. The camp is supporting more than 1 000 Nkomoto followers who give vivid ac-

topple Prime Minister Robert Mugabe. The Botswana authorities have also been candid with journalists who were allowed to visit the camp for the first time this week. Mr Ellison Madibela, the

vast majority of recent arrivals at the camp are young men between the ages of 18 and 30 and a number of them are trained soldiers who deserted or were demobilised from the Zimbabwe Army. It is this group which has

# Charlyn's winning her battle

BY LAUREN GOWER  
THE condition of Charlyn Dack, the little Johannesburg girl who has been fighting for her life in a United States hospital, is improving. Her grandmother, Mrs [Name obscured] said res-





# Breadline now at R263 for blacks

9/4/83 2. Post  
242

## Business Editor

THE barest minimum monthly income required over the short-term to keep a family of six alive in Port Elizabeth's black townships, or a family of five alive in a coloured township is now R263,52c and R268,85c respectively

These figures represent increases of 14% and 10,8% over a full 12-month period (commencing March last year), and 5,2% and 3,6% over the previous six-month period for which the statistics were collated by the University of Port Elizabeth's Institute for Planning Research (see tables and graph below)

Defined as the theoretical minimum financial requirement (making no allowances for luxuries of any kind, or education), the HSL, or Household Subsistence Level was first calculated by UPE in February 1972 - at R63,98c per month

This week's report reveals that figure has risen by more than 400% over the past 11 years, though the immediate rate of increase, note the authors, appears to be slowing. Thus the average increase for 13 comparable surveyed centres over the past six months was "a low 3,3% and 11,4% for the 12-month period"

This is some 3,5% below the rate of price increases as measured by the Consumer Price Index, and less than half

the increase of 7,8% recorded over the previous six-month period

In the comparable six-month period last year the HSL (for blacks), grew by 4,7% and in the comparable period in 1981 by 3,4%

Of significance to Port Elizabeth, Uitenhage and East London employers is the fact that in the case of the former two centres blacks are worst off by comparison with most of the centres surveyed. Thus the monthly bill faced by a hypothetical family of six in PE and Uitenhage of R263,52 and R266,49c is higher only in Cape Town (R268,01), Johannesburg (R277,81), Queenstown (R265,66), and on the Vaal Triangle (R273,53)

For coloured households (based upon a figure of five members), East London offers the least expensive living (naturally this expenditure figure should be read in conjunction with average incomes). Thus a bill of R249,50 is considerably lower than the R292,89 faced by a coloured family in Johannesburg

The survey notes that "generally-speaking price increases were found to be very moderate"

"Allowing for area differences the price of a number of items was found to be unchanged. Meat was again found to be lower-priced and it would appear that margarine prices are also very competitive"

### HOUSEHOLD SUBSISTENCE LEVEL FOR SURVEYED CENTRES

CENTRE	PHSL	Rent	Transport	HSL	% increase since:	
					March 1982 (12 months)	Sept. 1982 (6 months)
					MARCH 1983	
<b>Cape Town</b>						
Blacks	233,24	18,09	16,68	268,01	12,5	4,2
Coloureds	227,57	27,06	15,80	270,43	11,3	3,9
<b>Port Elizabeth:</b>						
Blacks	228,04	25,48	10,00	263,52	14,0	5,2
Coloureds	223,74*	29,51	15,60	268,85*	10,8	3,6
<b>East London:</b>						
Blacks	219,88	22,05	13,00	254,93	8,4	1,0
Coloureds	218,67	22,17	8,66	249,80	7,2	1,9
<b>Kimberley:</b>						
Blacks	211,70	35,74	6,60	234,04	7,7	3,2
Coloureds	214,10	34,19	13,65	261,94	8,0	4,8
<b>Durban:</b>						
Blacks	226,39	17,74	14,73	258,86	9,6	5,3
Coloureds	212,66	50,85	18,84	282,35	10,4	7,8
Indians	223,98	45,67	16,24	285,89	3,8	1,0
<b>Pretoria:</b>						
Blacks	203,41	36,35	15,61	255,37	10,0	3,0
Coloureds	226,88	32,25	6,50	265,63	10,4	5,0
<b>Johannesburg:</b>						
Blacks	221,04	42,05	14,72	277,81	8,3	2,3
Coloureds	223,47	53,66	15,76	292,89	13,4	6,7
<b>Bloemfontein:</b>						
Blacks	230,30	20,00	8,80	259,10	12,7	1,7
Coloureds	227,16	34,33	11,40	272,89	9,4	3,6
<b>K. William's Town</b>						
Blacks	221,16	15,55	10,83	247,54	14,6	3,1
Coloureds	217,93	40,87	8,66	267,46	16,4	10,0
<b>Uitenhage:</b>						
Blacks	230,59	28,53	7,37	266,49	11,7	2,2
Coloureds	217,82	26,11	7,37	251,30	16,0	8,1

\* Subject to confirmation

CENTRE	PHSL	Rent	Transport	HSL	% increase since:	
					March 1982 (12 months)	Sept 1982 (6 months)
					MARCH 1983	
<b>Queenstown:</b>						
Blacks	227,75	28,37	9,54	265,66	17,5	3,1
Coloureds	227,76	30,75	None	258,51	21,6	12,2
<b>Umtata:</b>						
Blacks	215,34	15,59	5,63	236,56	7,8	1,4
<b>Peddie:</b>						
Blacks	221,98	None	None	221,98	11,9	5,0
<b>Benoni:</b>						
Blacks	205,53*	20,20	13,68	239,41	7,7	1,1
<b>Boksburg:</b>						
Blacks	205,64*	20,70	13,43	239,77	7,7	1,1
<b>Brakpan:</b>						
Blacks	221,04*	25,05	17,32	263,41	8,6	1,1
<b>Germiston:</b>						
Blacks	205,85*	21,20	17,32	244,37	6,9	1,0
<b>Spring:</b>						
Blacks	205,59*	33,70	11,44	250,73	9,3	1,1
<b>Krugersdorp:</b>						
Blacks	221,04*	32,33	12,34	265,71	14,0	6,8
<b>Vaal Triangle:</b>						
Blacks	210,85*	50,56	12,12	273,53	11,2	0,2
<b>Brits:</b>						
Blacks	217,91	20,00	10,60	248,51	13,9	5,7
<b>Wandhoek:</b>						
Blacks	264,88	15,87	13,20	293,95	12,5	3,6
Coloureds	263,73	49,94	17,60	331,27	6,3	2,1

\* The PHSL for Johannesburg was accepted as basis. Electricity for lighting is available in some towns. Fuel and light was calculated for each centre individually which explains the discrepancy between the PHSL for Johannesburg and these areas.

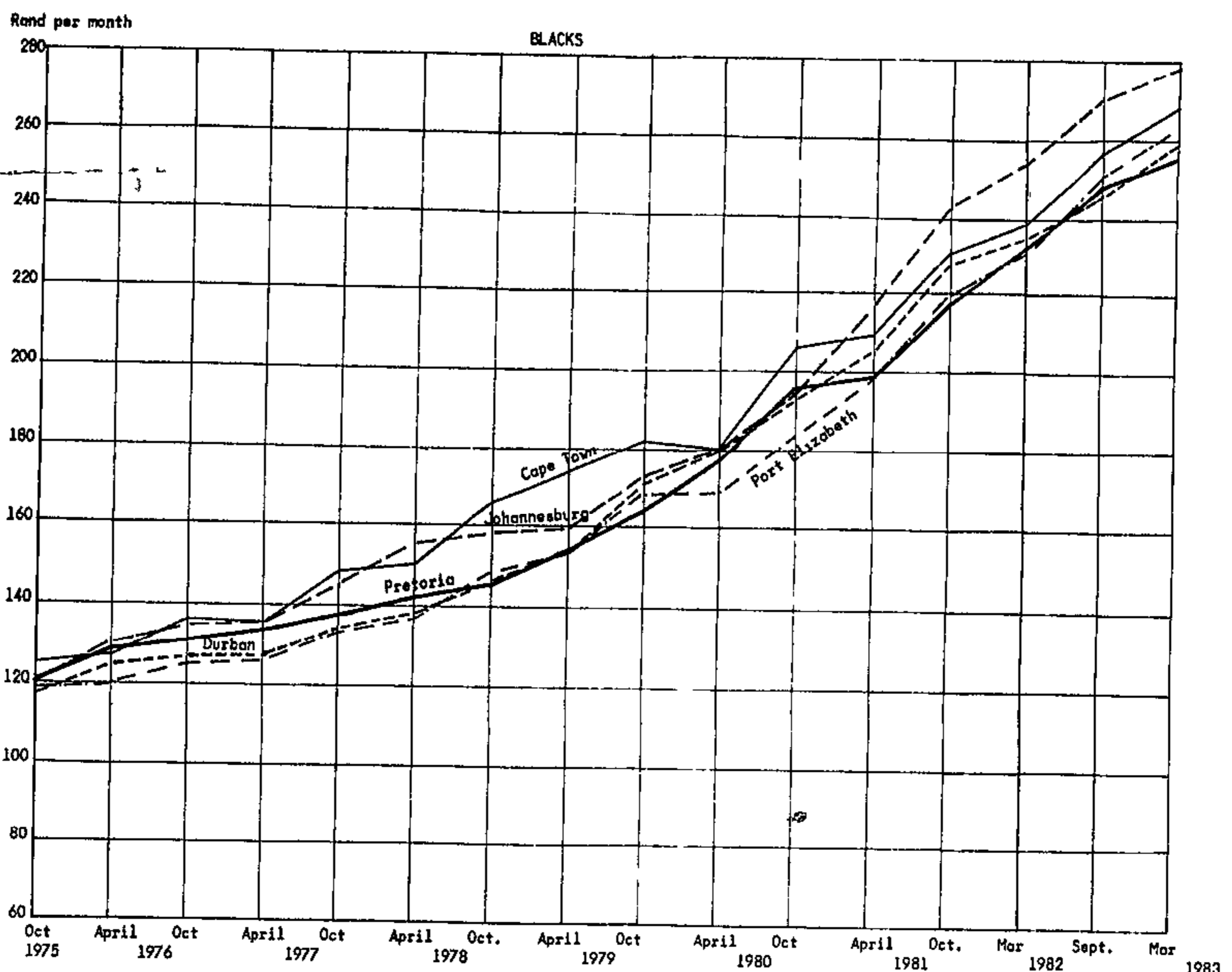


FIGURE 1: THE HOUSEHOLD SUBSISTENCE LEVEL COST FOR FIVE MAJOR URBAN AREAS FROM OCTOBER 1975 - MARCH 1983

# Increase in subsistence level subsidising — survey

**EAST LONDON** — There are definite indications that the Household Subsistence Level (HSL) rate of increase is levelling off despite the absence of any clear indications as yet of a drop in the rate of the cost of living as measured by the consumer price index.

This is a finding of the University of Port Elizabeth's Institute of Planning Research in its latest release on the HSL.

The figures, which cover 13 towns in Southern Africa, are based on work done up to March and compared with findings released last September.

The 13 areas surveyed are Cape Town, Port Elizabeth, East London, Kimberley, Durban, Pretoria, Johannesburg, Bloemfontein, King William's Town, Queenstown, Umtata, Peddie, Windhoek and Brits.

Of the urban centres Kimberley has the lowest HSL for blacks - R254,04 — followed by East London — R254,93 — and Pretoria — R255,37.

Excluding Windhoek, which has the highest HSL of R293,95, Johannesburg R277,81 — Cape Town — R268,01 — and Port Elizabeth — R263,52 — have the highest figures.

In the coloured community Windhoek figures exceed those of other centres by far at R331,27. The survey shows that these figures are up by 2,1 since last September. The survey notes that the general

increase in centres where rentals were unchanged was moderate with a similar pattern in black areas.

For a family of five in the coloured community the survey found the HSL to range from R249,50 for East London to R292,89 in Johannesburg — both areas retaining their positions as the "cheapest" and the "most expensive" centre for coloured family households.

The survey notes that the price of a number of items was found to be unchanged compared with the last update.

"Meat was again found to be lower priced and it would appear that margarine prices are also very competitive," it adds.

On the other hand vegetables are now scarce and those available are of a low quality at high prices.

"The increased sugar price is not included since most supermarkets still maintained the 'old' price at the time of the survey."

Dealing with individual items — rentals, transport and fuel and light, the survey notes that marked rental increases were found in coloured homes in Johannesburg and Queenstown — the latter having a new area to which people moved recently.

Of the other items only transport showed a marked increase ranging from R1,50 to R4,50 a month.

Provided the current

rate of inflation remains more or less unchanged the average HSL for a black household of six in

the five urban centres is expected to reach R394,37 by March 1986, the survey adds. — DDR

SUNDAY TRIBUNE, APRIL 10, 1983

# Labour MP to raise issue in Commons

SUN

# British poverty workers double

~~61~~ ~~255~~ 242

S. Tribune  
10/4/83

**LONDON:**  
Foreign Service

The number of South African workers paid poverty wages by British companies has doubled since the British Government stopped publishing a blacklist of the firms in 1980. According to figures released by the Depart-

ment of Trade, 2 000 blacks were employed below the lower poverty level in June 1982 compared to 1 000 two years earlier.

The new figure represents nearly 1.5 percent of all British-employed workers in South Africa. The level of poverty wages is worked out pe-

riodically according to the cost of living

Labour MP Mr Michael Meacher is to table a Commons question this week on what action is to be taken to ensure that British firms abide by the Government-backed EEC code.

Mr Meacher will be pressing the

Department of Trade to reveal the names of companies paying poverty wages

Last year 13 companies failed to report on their South African employees.

Among companies submitting reports, Lonrho, Low and Bonar and George Wimpey were paying some workers

below the lower poverty level.

Tenses	

Paper No.

Initials

(to be copied from the heading on the Examination Paper)

### NOTE CAREFULLY

1. The answers only on the right hand pages will be marked. The left hand pages may be used for rough work, but no credit will be given for such work.
2. Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering.
3. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
4. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.

### WARNING

1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
2. Candidates are not to communicate with other candidates or with any person except the invigilator.
3. No part of an answer book is to be torn out.
4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

the past six months is a relatively low 5,8%. A 5% rise was recorded in the previous six-month period

"Generally speaking, price increases were found to be very moderate," says the institute. Prices of some consumer items did not rise, while there were even price reductions for meat, paraffin and clothing in certain areas

The institute does, however, warn that a fairly low HSL increase has usually been found during previous September-March periods

"Although there are no clear indications of a decrease in the rate of the cost of living as measured by the Consumer Price Index as yet, there are definite indications

that the rate of increase in the HSL is leveling off. Depending on the effect of the current drought, this trend may continue during the rest of 1983"

## LIVING STANDARDS 242 HSL growth slows

FM 15/4/83

A relatively low rise has been recorded in the household subsistence level (HSL) for blacks and coloureds in most of SA's major centres over the past six months

The HSL is a theoretical monthly minimum income required by a black family of six or a coloured family of five to survive. It includes only basic essentials such as rent, food, clothing, fuel and transport to and from work and does not take medical expenses into account

The University of Port Elizabeth's Institute for Planning Research reports that a relatively low HSL increase of 4% has been calculated for black households in SA's five major urban centres (Johannesburg, Pretoria, Cape Town, Durban and Port Elizabeth) during the past six months. This is significantly lower than the 6,6% rise recorded in the six-month period ending in September last year

The average HSL increase for coloured households in the five major centres during

CENTRE	HSL —R—	% increase since	
		March 1982 12 months	Sept 1982 6 months
Cape Town			
Blacks	268,01	12,5	4,2
Coloureds	270,43	11,3	3,9
Port Elizabeth			
Blacks	263,52	14,0	5,2
Coloureds	268,85	10,8	3,6
East London			
Blacks	254,93	8,4	1,0
Coloureds	249,50	7,2	1,9
Kimberley			
Blacks	254,04	7,7	3,2
Coloureds	261,94	8,0	4,8
Durban			
Blacks	258,86	9,6	5,3
Coloureds	282,35	10,4	7,8
Indians	285,89	3,8	1,0
Pretoria			
Blacks	255,37	10,0	3,0
Coloureds	265,63	10,4	5,0
Johannesburg			
Blacks	277,81	8,3	2,3
Coloureds	292,89	13,4	6,7
Bloemfontein			
Blacks	259,10	12,7	1,7
Coloureds	272,89	9,4	3,6
K. Williams Town			
Blacks	247,54	14,6	3,1
Coloureds	267,46	16,4	10,0
Uitenhage			
Blacks	266,49	11,7	2,2
Coloureds	251,30	16,0	8,1
Umtata			
Blacks	236,56	7,8	1,4
Springs			
Blacks	250,73	9,3	1,1
Vaal Triangle			
Blacks	273,53	11,2	0,2
Windhoek			
Blacks	293,95	12,5	3,6
Coloureds	331,27	6,3	2,1

(242) E. Post  
4/5/83

# UPE author of HSL survey to consult overseas

## Business Editor

Professor JOHANN POTGIETER, director of the University of Port Elizabeth's Institute for Planning Research, leaves South Africa on Friday for a two-month sabbatical in the United States and Europe

Prof Potgieter, author of the UPE's nationally-employed poverty-level survey — the household subsistence level (HSL) — plans to consult with fellow academics at universities in New York, Ann Arbor, Chicago and on the Continent with a view to alternative methods of calculating poverty levels

"I have certain ideas about a new approach to the problem and whether they'll find acceptance I don't know I would like to explore a number of research techniques with other authorities on the subject"

Prof Potgieter will be travelling on an Oppenheimer university travelling fellowship and returns to Port Elizabeth in July

The UPE's HSL provides an estimate of the income required by an individual household to maintain a "minimum level of health and decency in the short-term"

As such it is calculated on the lowest retail cost of a budget of necessities of

adequate quality comprising food, clothing, fuel, washing and cleansing materials plus rent and transport for the breadwinner

Excluded in the HSL survey (which was first published in April, 1973, and is updated every six months), is provision for medical expenses, hire purchase, holidays and entertainment, reading material and education and incidental transport for the theoretical families — five in the case of a coloured family and six in the case of a black family)

In order to accommodate these expenditures and maintain the household in the long-term, the HSL is increased by a factor of 50% to provide what Prof Potgieter calls the household effective level (HEL)

Among the alternative methods of calculation which Prof Potgieter now wishes to explore is one in which poverty levels are calculated relative to the shifts in national incomes rather than on the basis of a specific budget

If found acceptable such a method will clearly liberate HSL levels from budgetary constraints, allowing relatively higher increases in published "poverty levels" in economic boom times — but lower basic minima in times of recession

FM 6/5/83

## POVERTY MEASURES

242

### Changes possible

The Household Subsistence Level (HSL) calculated by the University of Port Elizabeth's Institute for Planning Research has been the subject of much debate in the past. Now there is an investigation into alternative methods to calculate this figure.

Many unionists complain that the HSL, and other poverty datum line calculations, are irrelevant as they focus attention on basic minimum incomes needed by people to survive, rather than on equitable, "living" wages.

Some businessmen, on the other hand, say the HSL is sometimes misused by foreign groups putting pressure on multinationals to pay higher wages. They complain that the argument that an employer should pay all employees more than the HSL ignores the fact that many households have more than one breadwinner. They say that although the HSL reflects the basic minimum needed by a family to survive, there are sometimes pressures on employers to pay young unmarried employees more.

There is little doubt that differences of opinion will continue to be expressed on the HSL. But it is a useful guide to employers who want to closely monitor price increases faced by their black, coloured and

*continued on P663*

#### Asian employees

The institute's director, Professor Johann Potgieter, is currently probing alternative methods of calculating HSLs. He left this week for the US and Europe where he plans to consult academics on this question.

"I have certain ideas about a new approach to the problem. Whether they will find acceptance I don't know. I would like to explore a number of research techniques with other authorities on the subject," he says.

Poverty levels could, for example, be calculated relative to the shifts in national incomes, rather than on the basis of a specific household budget. Presumably some allowance would have to be made for inflation.

The UPE's HSL provides an estimate of the income required by an individual household to maintain a "minimum level of health and decency in the short-term." As such it is calculated on the lowest retail cost of a hypothetical package budget of food, clothing, fuel, washing and cleansing materials, plus rent and transport.

Excluded from the HSL survey (which was first published in April 1973 and is updated every six months), is provision for medical expenses, hire purchase, holidays, entertainment, reading material, education and incidental transport for the theoretical families — five in the case of a coloured

family and six in the case of a black one)

In order to accommodate these expenditures and maintain the household in the long term, the HSL is increased by a factor of 50% to provide what Potgieter calls the Household Effective Level (HEL).

# Survey shows HSL levels in homelands

103  
105  
242

*S. Post*  
*2/5/83*

DETAILED research into the bare minimum incomes required by families in Ciskei and Transkei reveals poverty levels of R133,91 and R129,44 a month respectively

The study, conducted by the University of Port Elizabeth's Institute for Planning Research under Professor Johann Potgieter, at the request of the Chamber of Mines, provides a valuable insight to the basic needs of the families left at home when migrant workers obtain employment

These household subsistence levels (HSLs) are substantially lower than the HSLs calculated for the two major metropolitan areas of the Eastern Cape, Port Elizabeth (R263,52), and East London (R254,93)

However, this is accounted for by the fact that allowance has been made for the free food and accommodation provided by the mines, and also the fact

that — in accordance with international practice — allowance is made for "home production" by the migrant worker's family

Titled *The Cost of Basic Needs of the Migrant Worker and his Family in the National States of Bophuthatswana, Kwa-zulu, Transkei and Ciskei*, the UPE survey was presented to the Chamber of Mines in November last year and has just been released to the general public with the Chamber's blessing

In a preamble to the main findings, Prof Potgieter explains the traditional approach adopted by his institute for the past 10 years in surveying the HSL of urban centres throughout the country

The calculation refers, he points out, "to an estimate of the theoretical income needed by an individual household if it is to maintain a defined minimum

level of health and decency in the short term

"It is calculated at the lowest retail cost of a budget of necessities of adequate quality, comprising the total food, clothing, fuel, lighting and washing and cleansing materials required for each person, together with the fuel, lighting and cleansing materials needed by the household as a whole, the cost of rent and of workers' transport"

For comparative purposes the calculation is made for a hypothetical "average" family of six persons

Prof Potgieter emphasises that the HSL is limited to the "short-term satisfaction of basic physiological need"

Specifically excluded is everything but the absolute bare necessities of day-to-day existence — which rules out medical expenses, education, savings, hire purchase, holidays, reading material, entertainment,



By Louis Beckerling  
Business Editor

recreation, insurance, purchases and replacement of household equipment, and incidental transport

In translating the survey from an urban to a rural environment in which a household head was presumed at work on the mines, certain adjustments were made to the usual survey method

Thus in the case of the head of the household no allowance was made for food, since full board was presumed provided, fuel or light, transport, or rent. Furthermore, only half the clothing allowance was made as clothing is provided by the mines

Certain minor adjustments were also made to other measuring standards

applied in the urban tests

For instance, as cheese is not freely available in the homeland areas an extra allowance was made in the theoretical food basket for eggs, as houses were generally speaking small only half the allowance was made for lighting requirements, a similar 50% reduction was made in allowance for cleansing materials and no allowance was made for such items as stove polish

The centres in Transkei and Ciskei that were then surveyed were

● Transkei Bizana Lusikisiki, Ngqeleni/Umtata, and Idutywa

● Ciskei Alice and Keiskammahoek/Middledrift

Prof Potgieter adds the observation in his preamble that the subsistence level that his researchers then calculated 'could be used as a guide for employers of large numbers of migrant labour in order to compare the wages they pay to what is regarded as the cost of the basic needs of their employees and families

"In this context the responsible employer has a social obligation towards the wellbeing of his employees"

For details of the institute's findings, consult the table which appears with this article

TABLE 3 THE HOUSEHOLD SUBSISTENCE LEVEL FOR SURVEYED AREAS JUNE 1982

Area	Food	Other	Transport	Total	Weighted	Average
<b>TRANSKEI</b>						
Bizana	R133,24	R3,00	R2,50	R138,74	R13,87	R124,87
Lusikisiki	R141,10	R3,00	R2,50	R146,60	R14,66	R131,94
Ngqeleni	R135,86	R3,00	R5,00	R143,86	R14,39	R129,47
Idutywa	R141,25	R3,00	R2,25	R146,50	R14,65	R131,85
Weighted average						R129,44
<b>CISKEI</b>						
Keiskammahoek	R146,19	R2,00	R2,00	R150,19	R15,02	R135,17
Alice	R143,66	R2,00	R2,00	R147,66	R14,77	R132,89
Weighted average						R133,91



Migrant worker ... measuring needs

those basic necessities supplied to the migrant mineworker by his employer — for example transport, food, clothing, fuel and light

The institute investigated living costs for migrants from four different areas of Bophuthatswana, KwaZulu, and Transkei and two areas of the Ciskei. The weighted HSL average for all areas surveyed in June 1982 was R130,18 a month. The individual weighted average for Bophuthatswana was R134,54, for KwaZulu it was R125,75, for Transkei R129,44, and for the Ciskei R133,91.

Not surprisingly, these figures are lower than HSLs for blacks in urban areas, who face much higher rents and certain other costs. HSLs for black households in major urban centres in September last year were about R250.

The institute says its survey will help the chamber compare the actual wages paid to mineworkers with a theoretically calculated minimum household requirement. "This could form the basis of wage negotiations with unions," it says.

It seems possible, however, that black mining unions — like those in some other industries — will be critical of HSL calculations. Many unionists complain that the HSL and other poverty datum line calculations are irrelevant as they focus attention on basic minimum incomes needed by people to survive.

Unions argue in favour of more equitable "living" wages — which are far more difficult to quantify.

□ The average wage for blacks in the mining industry during the third quarter of last year was R268 a month. In January this year the average wage of underground black workers on gold mines was R284, and R251 for surface workers. In addition, the value of free food and accommodation provided to each mineworker amounted to nearly R100 a month.

FM 20/5/83  
LIVING STANDARDS

### A migrant measure

Most efforts to determine the basic income needs of blacks have focused on those living in urban areas. The University of Port Elizabeth's Institute for Planning Research has now calculated household subsistence levels (HSLs) for migrant mineworkers whose families live in Bophuthatswana, KwaZulu, Transkei and the Ciskei.

The institute's survey, which was financially-backed by the Chamber of Mines, is intended to serve as a useful indication of basic costs in rural areas. The HSL is an estimate of the theoretical monthly income needed by a black family of six to survive in the short-term. It is calculated at the lowest retail cost of a budget of basic necessities of adequate quality.

Excluded from the rural HSL budget are



# Union

## to ask

## living

## wage

204 20/6/83  
Mail Reporter

OFFICIALS from the Metal and Allied Workers' Union's Transvaal branch will meet Seifsa director Mr David van Coller today to discuss demands for a "living wage".

MAWU also intends to tackle Seifsa for signing an agreement for the cable manufacturing industry which excludes the union.

"MAWU was disappointed to see Seifsa signed an agreement for the cable manufacturing industry with unions not representative of a majority of workers. In doing so, Seifsa chose to ignore MAWU, which has a much larger membership in the industry than any party unions and has majority membership among employees of four plants," said a MAWU statement issued at the weekend.

According to the statement, this is the second time Seifsa and a group of unrepresentative unions have cooperated to exclude MAWU's democratic negotiating principle.

When applying to the Industrial Council for membership, MAWU claims it made it clear the union could only negotiate on the basis of report-backs and mandates. Neither Seifsa nor the other unions objected.

"Now, however, both are concluding agreements in such a way as to block MAWU completely from usefully reporting back or obtaining mandates.

"It seems Seifsa is determined to continue negotiating agreements at industry level with unions which represent a minority of workers and do not even report back to their members after negotiation."

All parties to the negotiations admitted that unions other than MAWU were unrepresentative and the decision to go ahead and sign an agreement for the cable industry was a gross example of bad faith, said the statement.

At today's meeting, the delegation will point out that MAWU members are serious about the struggle for a living wage and are dissatisfied with a refusal from a highly profitable industry to move to paying living wages, concludes the statement.

Asked for comment yesterday, Mr Van Coller said he had not been aware of the outcome of negotiations.

"The matter concerns the Association of Electrical Cable Manufacturers and I am not aware of the details," he said.

# Warning on white standard of living

ARCUS 9/8/83  
Staff Reporter

WHITE South Africans must be prepared to accept a drop in their standard of living to help finance development, Professor S J (Sampie) Terreblanche of the University of Stellenbosch has

warned

He was speaking at a Manpower and Management Foundation seminar on investment in South Africa

Professor Terreblanche said the cost of providing the necessary social and physical infrastructure for the different population groups was so astronomical that it was not possible to make these investments and at the same time maintain the high living standards enjoyed by whites

## Investment policy

Whites must accept a 20 percent or more drop in their living standards in the following decade or two in return for an investment policy which will ensure continued long-term growth and improved social conditions for all population groups

If whites tried to maintain their entrenched position of privilege and relative wealth and power, the country ran the danger that the wheels of the capitalist economic engine would shortly come to a stop

Whites could hope for higher living standards only in the long term, and then only if they made the necessary structural changes and were prepared to make large sacrifices in living standards in the short and medium term, he said

members for the coloured House of Representatives 60 will be in the Cape, 10 in Transvaal, and five each in Natal and the Free State Two coloured MPs will be nominated by the State President and three will be chosen by elected members

Of the 40 Indian seats, 29 are in Natal, eight in the Transvaal and three in the Cape The State President will nominate two members and three will be elected by members of the Indian House of Delegates

## HOUSING

### Free market's role

A staggering R87,5 billion will have to be spent by the end of the century if SA is to meet the housing needs of all population groups This is the estimate of the Commission of Inquiry into Township Establishment and Related Matters, which was tabled in Parliament last week.

The commissioner says that a constant flow of public funds adjusted upwards annually, is needed to provide for the increase in the urban population" Citing examples from the UK and France, it recommends a new approach to township finance involving "greater integration of public and private operations"

It suggests that a formal partnership between public and private sectors is needed in place of the present informal arrangements This could be achieved by setting up a development corporation, registered in terms of the Companies Act, which would combine the resources of the private sector (development capital, management, financial control, operational expertise and entrepreneurial skill) with those of the public sector (speeding up administrative processes, development capital and the making available of specialist skills to local authorities)

#### Institution

Such a corporation, in which the State would play the junior role to avoid creating just another government institution, would have the aim of "speedy provision of more residential sites within the means of those requiring new housing"

Where practicable, this would include housing for the lower and middle-income groups in areas where the shortages are the greatest.

"This new approach," says the report, "implies a greater self-help effort on the part of the individual requiring housing in respect of financing, which will be obtained from private financial institutions"

The role of the government will in future be mainly to provide the necessary infrastructure."

Referring to the resettlement programme, the report says there may have been a tendency by the government in the past to raise the standard of housing as a "compensatory" measure.

"However, the resettlement programme is largely complete and we are entering an era when housing operations by the government can be handled as such. The climate is therefore right for housing to be depoliticised and for this function to be treated as a purely financial-technical problem"

The size of this problem can be seen from the commission's figures. It estimates that the total number of housing units needed for all population groups by the year 2000 will be 3,5m. Of these, almost 2m will be needed by the black population.

The commission says that in view of the obvious overcrowding, the estimated housing shortage for blacks should be increased by a factor of 1,5 — which leads to a current shortage of 240 000 units

It adds that whites and Asians are already urbanised and that coloureds would be mainly urbanised by the turn of the century Blacks, it adds hopefully, will remain largely a "rural" community.

## POVERTY

### Submerged majority

The message emerging from research reports for the Second Carnegie Inquiry into Poverty and Development, presented at a conference in Cape Town this week, is so horrific that it cannot, and should not, be ignored.

Nearly 300 different research projects uncovered evidence of appalling poverty and hunger in the black urban townships, in "white" farming areas and in the homelands

Findings ranged from an estimate by University of the Witwatersrand Professor John Hansen that more than 50 000 children died in one year (1970) from nutritional diseases, to evidence that families in Ciskei resettlement camps survive, on average, on R55/month In addition, it was estimated that there was a shortage of housing for more than a third of the black people in the Port Elizabeth area

In the circumstances, it is perhaps not surprising that the SABC should give attention to the one paper which did not seem too bad — University of Cape Town economist Charles Simkins's finding that the number of homeland families earning more than the "Minimum Living Level" increased from virtually nil in 1960 to 20% in 1980 It was a controversial conclusion, which led to a special session of the conference at which it was debated.

Besides pointing to some improvement, the obverse of the research was that 80% of people in the homelands live below the Minimum Living Level — which is the lowest Poverty Datum Level measure calculated by the Bureau of Market Research at Unisa. Simkins tells the FM he also found that an increasing number of people receive no support from pensions, disability grants, remittances or direct employment in the homelands.

He says increasing landlessness and unemployment are making homeland income distribution more unequal. Simkins argues that increased homeland incomes are due to developments in the SA economy, rather than inside the

homelands themselves

In fact, he maintains that the homeland system has retarded the elimination of poverty "I have no doubt that the abolition of influx control and allowing people into the urban areas would help to reduce poverty much faster than the homeland system," he says

Simkins attributes the increase in incomes to four factors an increase in agricultural output between 1970 and 1980, transfer payments and pensions have risen much faster than wages, remittances have risen in line with urban wages, and modern-sector income in the homelands — from industrial, civil service and all other employment except agricultural and domestic work — has gone up

The director of the Carnegie Inquiry, Francis Wilson, tells the FM two other factors have influenced homeland incomes since 1960 the incorporation into homelands of urban townships in the Durban and PWV areas, and the rise in gold mine wages since the 1970s

He says the real test of the homelands should be the income levels of people living more than 100 km from the urban areas Wilson adds that the detail revealed in the Inquiry, on both macro and micro levels, shows that there is a great deal of poverty in SA

The facts support him. These include

- A single tap to supply water for 760 people;
- Villages without boreholes in Gazankulu,
- Ten babies in a Venda village died after drinking contaminated water;
- A majority of South Africans have no access to electricity;
- Two-thirds of the people in Transkei live on less than R125,75/month; and
- Sixty-three percent of adult black men in the Karoo town of Willowmore are underweight.

The Carnegie Inquiry has revealed some very unpleasant facts about life in SA. More will emerge as the impact of all the research is digested and published.

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Post Focus

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# Experts have little wage earners' cor

**Average cost of living for a household of five.**  
(According to the Department of Statistics)

	1975	1984
FOOD	R169 17	R467 70
DRINKS	R15 09	R44 05
TOBACCO	R10 01	R29 23
CLOTHING	R44 84	R130 92
FOOTWEAR	R8 67	R25 31
HOUSING	R159 68	R466 27
FUEL/POWER	R15 68	R45 78
FURNITURE	R44 80	R130 83
MAINTENANCE	R15 74	R45 97
SERVANTS	R29 36	R85 74
MEDICAL	R33 28	R97 16
TRANSPORT	R122 80	R358 67
RECREATION	R41 90	R122 35
BOOKS etc	R7 77	R22 68
EDUCATION	R17 76	R51 84
PERSONAL	R21 47	R62 70
BARS/FOOD	R12 15	R35 49
HOLIDAYS	R25 77	R75 26
PHONE/POST	R9 92	R28 96
EXTRA S	R30 37	R88 69
<b>TOTAL</b>	<b>R827.23</b>	<b>R2 415 60</b>

**BUDGETS of six breadwinners (married with three children), not taking into account insurance, entertainment, holidays, drink, tobacco, restaurants, bars, reading matter, licences, miscellaneous**

\* Port Elizabeth salary figures from local employment agencies.

**Post Office Clerk**

Salary	R650 00
-Pension @ 6%	R39 00
-Tax	R4 12
-Medical aid	R40 00
Take home pay	R566 88
Subsidised bond/rent	R100 00
Food/housekeeping	R300 00
Transport	R100 00
Lights/water	R40 00
HP repayments	R50 00
Education	R30 00
Clothes	R30 00
Domestic worker	R30 00
Amount owing	R113 12-

**Bank Teller**

Salary	R800 00
-Pension @ 6%	R48 00
-Tax (PAYE)	R21 63
-Medical aid	R60 00
Take home pay	R670 64
Subsidised bond/rent	R150 00
Food/housekeeping	R300 00
Petrol/car	R150 00
Lights and water	R40 00
Phone	R10 00
HP repayments	R80 00
Education	R30 00
Clothes	R50 00
Domestic worker	R60 00
Amount owing	R179 36-

**Sales Representative**

Salary	R1 200 00
-Pension @ 6%	R72 00
-Tax	R93 17
-Medical aid	R60 00
Take home pay	R974 83
Rent	R300 00
Food/housekeeping	R350 00
Petrol/car	R250 00
Lights and water	R40 00
Phone	R20 00
HP repayments	R100 00
Education	R45 00
Domestic worker	R80 00
Clothes	R80 00
Amount owing	R290 17-

**Garage Mechanic**

Salary	R1 400 00
-Pension @ 6%	R84 00
-Tax	R139 23
-Medical aid	R80 00
Take home pay	R1 096 77
Bond/rent	R470 00
Food/housekeeping	R467 70
Petrol/car	R150 00
Lights and water	R45 78
Phone	R28 96
Rates	R30 00
HP repayments	R100 00
Education	R51 84
Domestic worker	R85 74
Clothes	R130 92
Amount owing	R464 17-

**Toolroom Miller**

Salary	R1 400 00
-Pension @ 6%	R84 00
-Tax	R139 23
-Medical aid	R80 00
Take home pay	R1 096 77
Bond/rent	R470 00
Food/housekeeping	R467 70
Petrol/car	R150 00
Lights and water	R45 78
Phone	R28 96
Rates	R30 00
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Amount owing	R464 17-

ECONOMISTS analysing the current financial crisis have concluded white South Africans are living way beyond their means

But is this surprising when their means fall so far short of the cost of living?

Further plums of logic from the economists are that the way out of this crisis for the individual is to "stop spending", "avoid credit", "save and build up cash", "work harder"

But in this kind of recession, where is the extra work to be found? And who among us has anything left to save?

If there is one thing this economic crisis has shown, it is the poverty of helpful advice coming from the economists. A Weekend Post survey of six salaried breadwinners showed the struggle these people are having to make ends meet, let alone worry about saving. In each case, only a wife's earnings were keeping the larders stocked.

Taking into account all their outgoings — with such fixed commitments as bonds, rates, clothing and transport — it was really only on food that these people could make any economies.

To actually bridge the gap between income and commitments, these men have to rely on their wife's salaries, take on extra work or work overtime to make ends meet.

According to the Department of Statistics, the average white South African family of five had an expenditure of R827,23 a month in 1975, an amount which totals R2 415,60 in 1984.

The cost of living has rocketed along with inflation and the public is suffering from what economists call "fiscal drag".

Annual increases are usually in line with inflation and

By

are meant to ensure standard of living

But, in effect, brackets and they

Statistics show a month cannot support and has to supplement survive

Excluding recreation matter, drink and and no possibility

A bank teller is better off than the higher tax bracket the clerk and agent

A sales representative made healthy savings battle to survive supplement the

A toolroom garage mechanic very comfortably on occasional incomes have no chance incomes

A civil engineer only two-thirds has to rely on meet

Post Focus

# Men have little for the earners' comfort

By GERDA KENYON

Statistics )  
a household of five.

1975	1984
R169 17	R467 70
R15 09	R44 05
R10 01	R29 23
R44 84	R130 92
R8 67	R25 31
R159 68	R466 27
R15 68	R45 78
R44 80	R130 83
R15 74	R45 97
R29 36	R85 74
R33 28	R97 16
R122 80	R358 67
R41 90	R122 35
R7 77	R22 68
R17 76	R51 84
R21 47	R62 70
R12 15	R35 49
R25 77	R75 26
R9 92,	R28 96
R30 37	R88 69
R827 23	R2 415 60

(married with three child-  
insurance, entertainment,  
arts, bars, reading matter,  
from local employment

ECONOMISTS analysing the current financial crisis have concluded white South Africans are living way beyond their means

But is this surprising when their means fall so far short of the cost of living?

Further plums of logic from the economists are that the way out of this crisis for the individual is to "stop spending", "avoid credit", "save and build up cash", "work harder"

But in this kind of recession, where is the extra work to be found? And who among us has anything left to save?

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A Weekend Post survey of six salaried breadwinners showed the struggle these people are having to make ends meet, let alone worry about saving. In each case, only a wife's earnings were keeping the larders stocked

Taking into account all their outgoings — with such fixed commitments as bonds, rates, clothing and transport — it was really only on food that these people could make any economies

To actually bridge the gap between income and commitments, these men have to rely on their wife's salaries, take on extra work or work overtime to make ends meet

According to the Department of Statistics, the average white South African family of five had an expenditure of R827,23 a month in 1975, an amount which totals R2 415,60 in 1984

The cost of living has rocketed along with inflation and the public is suffering from what economists call "fiscal drag"

Annual increases are usually in line with inflation and

are meant to ensure that workers can maintain their standard of living

But, in effect, increases put people into higher tax brackets and they are left poorer each year

Statistics show a post office clerk who earns R650 a month cannot support a family of five on his salary alone and has to supplement his income with his wife's salary to survive

Excluding recreation, holidays, insurances, reading matter, drink and tobacco, he will have a monthly deficit and no possibility of saving a cent

A bank teller who earns R800 a month should be a lot better off than the post office clerk, but because he is in a higher tax bracket, he comes away with little more than the clerk and again no chance of saving

A sales representative who 10 years ago could have made healthy savings of at least R100 a month, now has to battle to survive and has to send his wife to work to supplement the family income

A toolroom miller who earns R1 500 a month and a garage mechanic earning R1 400 would have managed very comfortably 10 years ago to save as well as splash out on occasional luxuries but now have to work overtime and have no chance of saving even if their wives earn similar incomes

A civil engineer who earned R2 000 a month is left with only two-thirds of his income after deductions and he, too, has to rely on alternative forms of income to make ends meet

Bank Teller	Sales Representative	Garage Mechanic	Toolroom Miller	Civil Engineer
Salary R800 00	Salary R1 200 00	Salary R1 400 00	Salary R1 500 00	Salary R2 000 00
-Pension @ 6% R48 00	-Pension @ 6% R72 00	-Pension @ 6% R84 00	-Pension @ 6% R90 00	-Pension @ 6% R120 00
-Tax (PAYE) R21 63	-Tax R93 17	-Tax R139 23	-Tax R168 17	-Tax R316 57
-Medical aid R60 00	-Medical aid R60 00	-Medical aid R80 00	-Medical aid R85 00	-Medical aid R90 00
Take home pay R670 64	Take home pay R974 83	Take home pay R1 096 77	Take home pay R1 156 83	Take home pay R1 473 00
Subsidised bond/rent R150 00	Rent R300 00	Bond/rent R470 00	Bond/rent R480 00	Bond/rent R500 00
Food/housekeeping R300 00	Food/housekeeping R350 00	Food/housekeeping R467 70	Food/housekeeping R500 00	Food/housekeeping R500 00
Petrol/car R150 00	Petrol/car R250 00	Petrol/car R150 00	Petrol/car R150 00	Petrol/car R350 00
Lights and water R40 00	Lights and water R40 00	Lights and water R45 78	Lights and water R48 00	Lights and water R50 00
Phone R10 00	Phone R20 00	Phone R28 96	Phone R30 00	Phone R30 00
HP repayments R80 00	HP repayments R100 00	Rates R30 00	Rates R40 00	Rates R35 00
Education R30 00	Education R45 00	HP repayments R100 00	HP repayments R150 00	HP repayments R180 00
Clothes R50 00	Domestic worker R80 00	Education R51 84	Education R60 00	Education R65 00
Domestic worker R60 00	Clothes R80 00	Domestic worker R85 74	Domestic worker R90 00	Domestic worker R100 00
Amount owing R179 36-	Amount owing R290 17-	Clothes R130 92	Clothes R140 00	Clothes R160 00
		Amount owing R464 17-	Amount owing R511 17-	Amount owing R497 00

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# Poverty level 'full of fallacies'

C. Times

Staff Reporter

THE minimum subsistence level on which wages were based was "full of fallacies and anomalies which expect human beings to be machines", an Industrial Court was told yesterday

Expert witness for the Cape Town Municipal Workers' Association, Ms Debbie Budlender, a researcher at the University of Cape Town-based South African Labour and Development Research Unit (Saldru), said in papers submitted to the court that

"We need to ask whether the maintenance of health and decency is

what we normally term 'living', or is it mere existence"

The 11 000 strong CTMWA, in a wage dispute with the City Council, is demanding a minimum wage of R116 per week

In the research document presented to the court, Ms Budlender said the popularly-used poverty datum lines, the Minimum Living Level (MLL) and the Supplemental Living Level (SLL)—both designed by the University of South Africa—had several inherent "anomalies"

"The MLL does not constitute a living wage

And it has been empirically proved that the MLL living level is not reached until the wage is at least equal to the SLL, and by extension the SLL is also not a living level

"Human beings are not plants for which some might argue that one can calculate fairly exactly the scientific requirements for existence

"Living necessitates the requirements for full psychological and mental as well as physical existence. Poverty datum lines had been constructed with increasing accuracy and sophistication, which gave a false sense of security," Ms Budlender said

"People will not be happy to earn just enough to keep body and soul together if they see people around them living in the lap of luxury

"They feel that if they contribute to creating the wealth of a society, they have a right to a share in that wealth"

Data submitted on the basis of a 1980 Unisa Bureau of Market Research in the Cape showed that an average coloured family of five with an average annual income of R2 500 to R2 999 overspent on essentials such as rent, insurance, washing and cleaning and personal care

### 'Crude stereotype'

This went against the "crude stereotype" that coloured people "drink their money away", she said. This showed that "more people are insuring against an insecure future", she added

Although access to coloured education was free, the subsistence level models did not make provision for post-secondary education

In effect this condemns the children of all those who are living at this low level to low-paying jobs, which means that they in turn will live at low levels. This goes against all notions of equal opportunity."

The hearing continues today

Mr Kuy, SC, assisted by Mr A Omar, both instructed by Cheadle, Thompson and Haysom, are appearing for the CTMWA. Mr Harry Snitcher, QC, assisted by Mr J J Gauntlett, both instructed by Silberbauers, are appearing for the council. The presiding officer is Mr J J Human, with Mr Alec Erwin and Mr G Powell

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## LIVING STANDARDS

### Food prices rocket

The most disturbing feature of the latest Household Subsistence Level (HSL) survey is that despite the removal of gst from es-

sential foodstuffs food prices increased substantially in the six months to September. The survey is conducted twice a year by the Institute for Planning Research at the University of Port Elizabeth.

The HSL is the theoretical monthly income needed by a coloured family of five and a black family of six to maintain living standards at a set minimum level. It includes cost of food, clothing, fuel, rent, cleaning materials and transport to work for one breadwinner. Items such as tax and medical expenses are excluded.

The institute found that gst-exempt

items comprised over three-quarters of total food costs in the survey. Nevertheless, food price increases for blacks of up to 14% (in Port Elizabeth) were discovered. The 8,5% increase in Johannesburg is in line with the average for most of the country. An exception is Durban where the rise was only 2,5%. The next lowest food price increases (4,5%) were found in the Transkei capital Umtata — despite the fact that gst on all items there remains at 7%.

The average HSL increase over the past six months for blacks in five major areas was 8,3%, compared to 4,7% for the previous six months. For coloureds it was substantially less at 4,3%.

### HOUSEHOLD SUBSISTENCE LEVEL (September 1984 Survey)

CENTRE	HSL R	% Increase since Sept. 1983 (12 mths)	March 1984 (6 mths)
<b>CAPE TOWN</b>			
Blacks	309,09	10,7	6,7
Coloureds	321,25	14,3	6,3
<b>PORT ELIZABETH</b>			
Blacks	307,65	11,0	10,3
Coloureds	315,77	12,3	7,7
<b>EAST LONDON</b>			
Blacks	302,37	12,4	7,2
Coloureds	305,35	15,1	8,7
<b>KIMBERLEY</b>			
Blacks	313,17	11,9	10,8
Coloureds	328,44	17,2	9,8
<b>DURBAN</b>			
Blacks	297,44	9,9	4,9
Coloureds	313,70	8,1	2,4
Indians	339,62	9,5	2,4
<b>PRETORIA</b>			
Blacks	316,82	19,6	13,9
Coloureds	339,43	11,8	1,3
<b>JOHANNESBURG</b>			
Blacks	327,11	16,1	6,1
Coloureds	338,97	13,6	4,5
<b>BLOEMFONTEIN</b>			
Blacks	298,75	10,8	7,1
Coloureds	309,25	9,6	2,1
<b>King William's Town</b>			
Blacks	291,47	9,7	7,1
Coloureds	315,04	7,8	9,8
<b>UITENHAGE</b>			
Blacks	310,19	12,0	11,9
Coloureds	293,95	12,8	9,5
<b>QUEENSTOWN</b>			
Blacks	309,37	9,6	6,5
Coloureds	297,09	9,0	5,4
<b>UMTATA</b>			
Blacks	284,36	10,8	3,7
<b>BENONI</b>			
Blacks	295,64	18,4	8,4
<b>BOKSBURG</b>			
Blacks	296,67	17,6	8,0
<b>BRAKPAN</b>			
Blacks	310,13	13,9	6,6
<b>GERMISTON</b>			
Blacks	300,72	18,1	7,9
<b>SPRINGS</b>			
Blacks	308,64	17,8	7,7
<b>KRUGERSDORP</b>			
Blacks	313,72	15,0	6,9
<b>VAAL TRIANGLE</b>			
Blacks	330,25	13,4	7,6
<b>BRITS</b>			
Blacks	288,02	10,0	8,4

...st blame sickness for ... jobs

# 58% of Sowetans living below par

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By Kate McKinnell

Fifty-eight percent of Sowetan households live below the Household Effective Line (HEL), a study last year showed

At a conference on families in Johannesburg yesterday, Dr David Webster, senior lecturer in social anthropology at the University of the Witwatersrand, said the HEL is an estimate of a "reasonable" standard of living including school and transport costs

Dr Webster said his study showed that 33,9 percent of Sowetans were unemployed last year. If participation in the informal sector was discounted, this rose to 51,6 percent unemployed

"In the survey we asked unemployed

people why they had lost their jobs. Only 12 percent attributed it to the recession, while 60 percent said illness was the cause

"We wonder if this is related to the high incidence of malnutrition among black adults," said Dr Webster

● While Government statistics show the population of Soweto at just over a million, the study estimates the actual population to be between 1,6 million and two million. Other statistics

● The population density is 100 people a hectare compared to 23 people a hectare in central Johannesburg

● On average there are 10 people to a house

● About 23 000 families are living illegally in Soweto



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## 48 pc of coloureds below poverty line

Forty-five percent of coloured people are unemployed and 48 percent live below the Poverty Datum Line, research involving 38 families has shown

Representatives of the Centre of Social Development (CSD) told the "Families in the City" seminar at the University of the Witwatersrand yesterday that families they studied were a representative sample of families in Western Township and Eldorado Park

Mrs Jessie Duarte, a community leader, said coloured people battled to find work because

companies tended to employ whites first and then look for qualified blacks

Mrs Mendelle Mendelow said the average wage for coloured parents in the sample was R445

"But 27 percent of household income was found to come from alternative sources such as relatives, tenant rental and maintenance payment," said Mrs Mendelow

Of the coloured families, 84 percent lived in rented accommodation and 79 percent lived in houses with four or fewer rooms (not bedrooms)

14,9% for coloureds — compare “favourably” with the rise in the cpi of around 16%

These are the conclusions of the University of Port Elizabeth's Institute for Planning Research which conducts the HSL survey twice annually. The HSL is the theoretical monthly income needed by a black family of six and a coloured family of five to maintain living standards at a set minimum level. It includes costs of food, clothing, fuel, rent, cleaning materials and transport to work for one breadwinner. Items such as tax and medical expenses are excluded.

The increase in the HSL is not surprising, the institute comments, considering the

### HOUSEHOLD SUBSISTENCE LEVEL

CENTRE	HSL R	% Increase since	
		March 1984 (12 mths)	Sept 1984 (6 mths)
<b>CAPE TOWN</b>			
Blacks	333 06	15 0	7 8
Coloureds	353 36	16 9	10 0
<b>PORT ELIZABETH</b>			
Blacks	324 40	16 3	5 4
Coloureds	335 19	14 4	6 2
<b>EAST LONDON</b>			
Blacks	308 60	9 4	2 0
Coloureds	313 79	11 7	2 8
<b>KIMBERLEY</b>			
Blacks	326 65	13 6	4 3
Coloureds	346 96	16 0	5 6
<b>DURBAN</b>			
Blacks	325 86	14 9	9 6
Coloureds	355 64	16 0	13 4
Indians	386 78	16 7	13 9
<b>PRETORIA</b>			
Blacks	343 94	23 6	8 6
Coloureds	367 89	10 0	8 4
<b>JOHANNESBURG</b>			
Blacks	353 04	14 5	7 9
Coloureds	381 37	17 5	12 5
<b>BLOEMFONTEIN</b>			
Blacks	316 54	13 5	5 6
Coloureds	336 93	11 3	9 0
<b>KING WILLIAM S TOWN</b>			
Blacks	292 00	7 3	0 02
Coloureds	306 19	6 7	-2 8
<b>UITENHAGE</b>			
Blacks	325 03	17 3	4 8
Coloureds	312 56	16 4	6 3
<b>QUEENSTOWN</b>			
Blacks	324 55	11 7	4 9
Coloureds	323 26	14 7	8 9
<b>MARITZBURG</b>			
Blacks	298 34	—	—
<b>UMTATA</b>			
Blacks	298 09	8 7	4 9
<b>PEDDIE</b>			
Blacks	255 51	10 8	1 7
<b>BENONI</b>			
Blacks	308 42	13 0	4 3
<b>BOKSBURG</b>			
Blacks	311 36	13 4	5 0
<b>BRAKPAN</b>			
Blacks	330 49	13 6	6 6
<b>GERMISTON</b>			
Blacks	320 77	15 1	6 7
<b>SPRINGS</b>			
Blacks	321 83	12 3	4 3
<b>KRUGERSDORP</b>			
Blacks	333 88	13 9	6 4
<b>VAAL TRIANGLE</b>			
Blacks	344 54	12 3	4 4
<b>BRITS</b>			
Blacks	308 35	16 1	7 1
<b>WINDHOEK</b>			
Blacks	350 84	11 6	—
Coloureds	403 09	6 1	—



# Fidelity Group Limited

THE HOLDING COMPANY FOR THE BOARD OF EXECUTORS AND FOR FIDELITY BANK

Directors S Lewis (Chairman) R E Lippstreu (Deputy Chairman) H G Chapman  
C A Hall W J McAdam W T Neil Boss P F Newton-King A D P Ovenstone B S Pryce  
E H R Womersley A M Hyatt (Alt) (Brit)

## Preliminary Results Statement and Final Dividend Announcement for the Year Ended 31 March 1985

### Highlights

- \* Net income before tax increased by 68%
- \* Inner reserves strengthened
- \* Earnings per share up by 23% to 164c
- Dividend increased by 14% to 75c
- \* Continued improvement forecast
- \* Net income after tax rose 25% to R2,19 million
- \* Assets under administration rose to R590 million

The unaudited consolidated results of the Group for the year ended 31 March 1985 are as follows

	1985 R'000	1984 R'000	% Change
Net operating income after transfers to inner reserves	4 294	2 549	+ 68
Less Taxation	2 101	794	+ 165
	2 193	1 755	+ 25
Extraordinary item	—	782	
Less Transfer to general reserve	—	782	
Group income after tax	2 193	1 755	+ 25
Dividends	1 030	872	+ 18
Retained income for the year	1 163	883	+ 32
Issued shares (weighted average) ('000)	1 341	1 321	+ 2
Earnings per share (cents)	164	133	+ 23
Dividend per share (cents)	75	66	+ 14
Dividend cover	2,2	2,0	+ 10

The annual report and financial statements detailing the results and activities of the Group will be forwarded to shareholders on 15 July 1985

#### Comments

The Group's two main operating subsidiaries, The Board of Executors and Fidelity Bank, both achieved excellent results. The improvement in the earnings of The Board of Executors was particularly pleasing.

The unavailability of certain tax allowances and the increased rate of company tax resulted in the sharp increase in taxation which was forecast in the Group's interim report. Provision has been made for the on banks announced in the recent budget.

Inner reserves have been strengthened substantially.

Assets under administration, at book value, rose by 23% from R480 million to R590 million.

Barring unforeseen circumstances and despite generally adverse economic conditions, the Group is budgeting for a further increase in profits.

On Behalf of the Board

S LEWIS, Chairman R E LIPPSTREU, Deputy Chairman

## Declaration of Final Dividend

Notice is hereby given that a final dividend of 50 cents per share (1984 - 44 cents) was declared on 30 April 1985 in respect of the year ended 31 March 1985 payable to shareholders registered on 1 June 1985. Dividend cheques will be mailed to shareholders on 14 June 1985.

In terms of the Income Tax Act, South African non-resident shareholders' tax at the rate of 15% will be deducted from dividends where applicable.

By Order of the Board J KEVITT Secretary  
30 April 1985

LIVING STANDARDS

(242)

### On the up and up

The latest Household Subsistence Level (HSL) statistics reflect a "reasonably" high average increase of 7,8% for blacks in the five major urban areas for the six months to March 1985. The comparable figure for coloureds was even higher — 10,1%. However, the average increases in these areas over a 12-month period — 16,8% for blacks and

Financial Mail May 24 1985

(242) FM 24/5/85

widespread and substantial price increases since the last survey was conducted. These include the 40% rise in the fuel price, the 2%	gst increase, a 12,5% sugar price rise and increases in transport costs. Even so, the full impact from the ripple effect of these in-	creases had probably not been felt by the end of March and is only likely to be revealed in the next survey, the institute states
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• Kelet fund to be

# Setup

## Pietermaritzburg Bureau

THE City Council, local community-leaders and businessmen will meet here next week to launch an emergency fund to help starving families in the Greater Pietermaritzburg area. NM 2/16/85

The combined call for a co-ordinated plan of action comes in the wake of the worsening unemployment problem in and around the city

Mayor, Mr Robin Dales, will chair the meeting in the Pietermaritzburg City Hall at 10 a.m. on Tuesday. All interested bodies have been invited to attend

Top items on the agenda will be the creation of a special relief fund — aimed initially at providing food for starving and under-nourished children — and the setting up of a joint committee to work out how money and food are to be distributed

### Death's door

Local businessman and past president of the Pietermaritzburg East Rotary Club, Mr Max Prozesky, said that after discussions with black, coloured and Indian community leaders it had been found there was a very apparent need in the capital for a concerted effort to help solve the hunger problem.

'There are many people going around rummaging through dustbins looking for food and a lot of old people in the black community are at death's door because of hunger,' Mr Prozesky said

### Critical

He told the Mercury the Pietermaritzburg East Rotary Club had decided to get various concerned bodies together to formulate a plan of action to deal with the serious problem and he pointed out that the city council had been working towards a similar goal.

'Action is needed in regard to feeding people because the situation is critical.

Tuesday's meeting will also be attended by educationists, the clergy and members of local services clubs.

Mr Prozesky explained the co-ordinating committee would look to businesses and the local community for funds to launch the feeding scheme.



MODELS Petrol TLG 54 LWB dual rear wheel Diesel TLD 24 SWB single rear



dealers countrywide. With full Isuzu backup, service and parts available. All this and classic Isuzu good looks too. rear wheels to boot. And at 4 000 kg, the new TLG has the highest rear the heaviest loads. space for a full-length body. A full ladder frame chassis Isuzu toughness guarantees a full 3-ton loadability. A smooth 5-speed gearbox gives you better performance at its best. Electronic ignition means easy, maintenance-free new TLG perform 24 hours a day, seven days a week, and longlasting. Its low-rev/high torque power plant lets Here's a winner that's durable, hard-working history!

3 ton LWB petrol Isuzu... that's trucking. Any new Isuzu is big news. But a new petrol market out of the popular 3 ton long wheelbase Big Four at a price that almost knocks the bottom been waiting for. A low-revving, easy-breathing Here's the vehicle the light trucker has

# ISUZU

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TUESDAY, 18 JUNE 1985

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which bases and (bb) in which townships were these bases located and (iii) what percentage of the personnel at each such base was made up of national servicemen?

The MINISTER OF LAW AND ORDER

(a) and (b) Yes, at a temporary base

(i) In support of the South African Police

(ii) (aa) At Zwijde, Port Elizabeth

(bb) Zwijde Black Township, Port Elizabeth

(iii) 50%

Newspapers: deposits

997 Mr A SAVVAGE asked the Minister of Law and Order

(1) Whether, in respect of registration as a newspaper under the Newspaper and Imprint Registration Act, No 63 of 1971, all newspapers are required to deposit with the Minister of Home Affairs an amount in terms of section 15(1)(b) of the Internal Security Act, No 74 of 1982, if not, (a) why not, (b) which newspapers are exempt and (c) how is the amount of the deposit determined in each case, if so, how is the amount determined in respect of each newspaper,

(2) how many newspapers were required to make a deposit with the said Minister in terms of section 15 of the Internal Security Act as at the latest specified date for which figures are available?

The MINISTER OF LAW AND ORDER

(1) No

(a) In terms of section 15(1)(b) of the Internal Security Act, 1982 the Minister of Law and Order is only empowered to determine a

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TUESDAY, 18 JUNE 1985

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African Police has carried out an investigation into any matters involving certain persons, whose names have been furnished to the South African Police for the purpose of the Minister's reply, if so, (a) when, (b) why and (c) what are the names of these persons,

(2) whether the investigation has been completed, if not, when is it anticipated that it will be completed, if so, when,

(3) whether these persons were suspected of any offences, if so, what is the nature of the suspected offences,

(4) whether these persons have been (a) arrested, (b) detained and/or (c) charged, if so, (i)(aa) in terms of what statutory provision, (bb) on what charges, and (cc) when, in each case, and (ii) where are they being detained?

The MINISTER OF LAW AND ORDER:

Except for Tamsanga A Menzi, there is no record that the other persons concerned have been detained in terms of security legislation, and unless further information is made available it is impossible to ascertain from all the police stations and border posts in the Republic whether such persons have been detained. The particulars in respect of Menzi are as follows:

(1) Yes, by the Security Branch of the South African Police

(a) On 21 May 1985

(b) He was detained on 21 May 1985 in terms of section 50 of the Internal Security Act, No 74 of 1982 and released on 29 May 1985

(c) Tamsanga A Menzi

(2) to (4) Fall away

Hoa

HANSARD 18/6/85 Q 261930 Eastern Cape: burial of paupers

1012 Mr A SAVVAGE asked the Minister of Law and Order

(1) Whether the South African Police were involved in the conveyance of any allegedly unidentified bodies of paupers to any cemetery in the Eastern Cape area between 21 March 1985 and 31 May 1985, if so, (a) on what dates, (b) in what way, (c) on whose instructions, (d) for what reason, (e) how many bodies were conveyed, (f)(i) to which cemeteries were these bodies conveyed and (ii) where are these cemeteries situated and (g) what was the (i) name, (ii) estimated age and (iii) sex of each of the paupers so conveyed,

(2) whether the South African Police were involved in the burial of any of these paupers, if so,

(3) whether each corpse was buried in a separate grave, if not, (a) why not and (b) how many corpses were buried in each specified grave?

The MINISTER OF LAW AND ORDER

(1) No, but at the request of a White undertaker a number of uniformed members escorted him to the Zwijde cemetery situated in the Black township to render protection against possible attacks from robbers

(2) and (3) Fall away

Unidentified bodies: identification

1013 Mr A SAVVAGE asked the Minister of Law and Order

(1) Whether the South African Police carried out any investigations, in or near (a) Port Elizabeth and (b) Uitenhage between 21 March 1985 and 31 May 1985 in an attempt to establish the identity of certain allegedly unidentified bodies of paupers prior to burial, if not, why not, if so, (i)

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what was the nature of these investigations and (ii)(aa) in respect of how many bodies and (bb) on whose request were they carried out,

(2) whether the finger-prints of these bodies were taken, if not, why not, if so, of how many bodies,

(3) whether these finger-prints were sent to (a) Pretoria and/or (b) any other centre for identification, if not, why not, if so, (i) when (ii) where were they sent and (iii) with what result,

(4) whether any notices were published giving descriptions of these bodies and calling on persons to identify them, if not, why not, if so, (a) who caused these notices to be published, (b)(i) when and (ii) in which publications did they appear and (c) what was the result in each case,

(5) whether any other steps were taken to identify these bodies, if so, (a) what steps and (b) with what result,

(6) whether these bodies were photographed prior to being burned, if not, why not, if so (a) by whom and (b) where are these photographs kept,

(7) whether these photographs are open for inspection to members of the public, if not, why not, if so, (a) where and (b) what procedure is to be followed by persons wishing to see these photographs?

The MINISTER OF LAW AND ORDER

(1) (a) No

(b) Yes

(1) One murder case and two inquests at Uitenhage

(a) (aa) Three bodies.

(bb) In terms of departmental directives contained in Police Force Orders

(2) Yes, of two bodies

(3) (a) Yes

(b) No

(1) and (ii) On 1 April 1985 and 23 May 1985, respectively, to the South African Criminal Bureau, Pretoria

(iii) In one case no identification could be made, whilst the result of two cases is still being awaited

(4) Yes

(a) The investigating officers concerned

(b) (i) and (ii) On 26 April 1985 in the *Evening Post* and *The Herald*

(c) No response was received

(5) Yes, in the murder case

(a) By means of telecast on the television programme "Police File"

(b) No response was received

(6) Yes

(a) By a police photographer

(b) At the office of the District Criminal Investigation Officer, Uitenhage

(7) Yes

(a) and (b) Enquiries can be made at the office of the District Criminal Investigation Officer, Uitenhage

Eastern Cape: burial of paupers

1014. Mr A SAVAGE asked the Minister of Health and Welfare:

(1) Whether his Department was respon-

1933

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sible for the burial of the bodies of paupers in or near (a) Port Elizabeth and (b) Uitenhage during the period 21 March 1985 to 31 May 1985, if so, (i) on what dates were these bodies buried and (ii) how many were buried on each such date,

(2) whether any of these bodies had not been identified, if so, (a) how many, (b) what was the (i) estimated age and (ii) sex of the (aa) identified and (bb) unidentified bodies, (c) for what period was each (i) identified and (ii) unidentified bodies kept prior to being buried and (d) what procedure is followed regarding such unidentified bodies (i) prior and (ii) subsequent to burial,

(3) whether any documentation is to be completed prior to the burial of paupers, if not, why not, if so, (a) what documents and (b) what information do these documents call for,

(4) whether his Department is responsible for (a) organizing and (b) carrying out the arrangements for pauper burials in the (i) Port Elizabeth and (ii) Uitenhage areas, if not, who is responsible for these matters, if so,

(5) whether the services of undertakers were obtained, if so, what are the names of the (a) undertakers who arranged the funerals in each area during the period in question and (b) cemeteries in which each unidentified body was buried during this period, if not, who undertook these services,

(6) whether pauper burials are accompanied by a funeral service, if so, (a) who is responsible for arranging these services and (b) who conducted these services in respect of pauper funerals in the (i) Port Elizabeth and (ii) Uitenhage area during the period in question,

(7) whether the bodies of all of these paupers were buried in coffins; if not, (a) why not and (b) which paupers were buried without coffins,

(8) whether each body was buried in a separate (a) coffin and (b) grave, if not (i) why not and (ii) how many (aa) coffins and (bb) graves contained more than one body,

(9) whether his Department keeps record of the graves of paupers if not who keep these records, if so what information is kept in respect of each such grave,

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

The MINISTER OF HEALTH AND WELFARE

1 No Local Authorities are responsible

2-9 Falls away

10 No

Roeland Street: archives building

1021 Mr K M ANDREW asked the Minister of Public Works

(1) Whether construction on the new archives building in Roeland Street has commenced, if not, (a) why not and (b) when is it anticipated that construction will commence, if so, when (i) did construction commence and (ii) is it expected to be completed,

(2) what was the total estimated cost of the project as at the latest specified date for which figures are available?

The MINISTER OF PUBLIC WORKS

(1) No

(a) Because funds for the project could thus not be made available

(b) Hopefully in the 1986-87 financial year if funds could be made available

(2) R22 260 000

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HoA

benefited from the... Annual

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# Ratepayers could give aid to hunger relief fund

Pietermaritzburg Bureau

RATEPAYERS in the capital might be able to contribute towards a proposed hunger relief fund by paying an extra R1 on their electricity accounts

The City Council yesterday supported the principle of including an optional extra amount of R1 on everyone's account.

The idea was suggested by Councillor Pamela Reid, who said that even if only half the electricity consumers in the capital agreed to pay the R1, the fund would benefit by about R20 000 a month

Councillor Lionel Bennett suggested the council contribute towards the fund on a rand-for-rand basis

Miss Reid's proposal will be considered by the finance committee

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WHEEL BALANCING & ALIGNMENTS

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# The children of the rub

EAST LONDON — Barely a kilometre from East London's city centre in the thick bush and cliffs that surround the municipal rubbish dump at Second Creek in the Parkside area — lives a community of over 500 bushdwellers, more than 200 of them children.

The children, ranging in age from as young as four to 16 years old are mostly orphaned or deserted by their parents at a very young age.

They have survived by banding together and forming a "fortress" where strength means survival. They live by their own laws, they care for each other, they bury their own dead and assist in the births that occur there. They manage to feed themselves — barely — from what they find in the rubbish dump and from what they beg on East London's streets.

Many of these children were born in the bush — and many of them die there.

Next to the bushdweller's community is the rubbish dump. This is where they work foraging for rubbish that may be sold or that they may be able to use. It is also their kitchen, very often the only place they will find food for the day — and in many cases it becomes their bedroom too.

What food they do find among the rubbish, often unfit to eat, is brought back and dealt out among them.

Many of them struggle to maintain a semblance of respectability but most have discarded all social norms for a sub-culture of poverty living from hand to mouth in a physically immoral fashion.

They live in "shakedowns" — fragile shelters of cardboard, corrugated iron and plastic. Some lack even this and sleeping in the open is common.

Probably the saddest

fact of all is that many of these children — in an attempt to blot out their ugly reality — sniff glue and drink a lethal concoction of battery acid, paint, stale bread and water which leaves them mindless and 'high' and able to forget for a few brief hours.

It's not easy to get close to these children. Life in the bush is sordid and sad and the only person they have dared to trust is Mr Henry Kroutz, a community leader and teacher for the past 12 years at the Pefferville Primary School.

Mr Kroutz took us to this community.

First we visited a squatter camp in Parkside above the rubbish dump and cliffs where the children could be found.

What greeted us was a scene of squalor and utter poverty. Entire families were living in fragile erections of scrap metal and plastic sheet-

ing. These people knew Mr Kroutz well — he often visits them with food and clothing.

They have a name for him too. "Vetvader" for them he is father and since 1981 he has worked among them.

Mr Kroutz said that names which had been given to this community were both ironic and apt.

Lavender Squatter Camp is one which is rather ironic when you consider the unhygienic conditions and obvious stench which so often pervades the area.

Another name is Mpu ku Street "Mpu ku" means mice, and this is seen as an area for people who live like mice, constantly scurrying and hiding.

It is only when you meet these people and hear their stories that you realise that they are real people out there in the bush. They have families, they get hun-

gry, cold and tired and above all they have basic human dignity and feelings.

We didn't stay long at "Lavender Street" before we moved on to the rubbish dump to meet the children.

Mr Kroutz had brought a boot-load of bread with him to feed the people living at the dump. As soon as his car was sighted suddenly as if some shout had gone out a crowd of children appeared from the bush surrounding the dump and lined up to the call of "one line one-line" by a filthy teenaged boy dressed in ragged pants and shirt.

The loaves of bread were cut and divided among as many as was possible but soon the supply dwindled and many were left with nothing and went back to wait on the rubbish dump for another municipal truck to dump its load of pineapple peels and rotten offal.

The children who managed to get the bread seemed to have some sort of system worked out by which it was collected and put into a large sack, probably to be shared later among them.

"There are many hungry people living lives of despair. Many of them go to bed on an empty stomach and start the day without eating anything," Mr Kroutz said.

"The children are usually the hardest hit. They are sickly and malnourished. Unfortunately these children who live in hunger and ignorance must contend with this situation until the inevitable end comes," he added.

Driven by hunger these bushdwellers risk their lives by eating the rotten food they acquire



Two lucky children who managed to get some bread collect it and pack it into the communal bag — probably to be shared among the community later.



# Jobish dump

Report by  
TESSA COURTENAY  
Pictures by  
GARY HORLOR



A group of bushdwellers wait patiently as Mr Henry Kroutz hands out a boot-load of bread — there was not enough to go around

from the dump

"These children, young victims of unemployment, forced removals, broken homes and desertions, are constantly on the move, searching for food in order to survive. You see them in the city begging for money to buy food before returning to the bush or alleyways to spend their nights huddled beside a fire."

Mr Kroutz spoke of his dream for these children a children's home and haven where he said they would receive love

and dedicated attention

"This is my greatest wish for them, a children's home. The cottage type of home would be the ideal, not the antiquated type. Here they would have foster parents staying with them, giving them the love they need," Mr Kroutz said.

Adjoining the children's home would be a rehabilitation centre where the children could be trained in certain skills, have their own vegetable gardens and become rehabilitated into society again.

Mr Kroutz stressed that it was not only the desire to give these bushdwellers "hand-outs" or to romanticise the situation — but to aid them so that they could learn to fend for themselves in a "normal" society once again.

"These youngsters feel they have been discarded by society. They have been discarded, and what grieves me most is that there are not enough people aware of this tragedy," he said.

What hope is there for these people? Mr Kroutz

said most pertinent at present was the building of a children's home, yet the funds available at present for such a project were totally inadequate.

Another ray of hope was the interest and concern shown by Mfesane, a Christian organisation which had helped to initiate a short-term employment project for unemployed breadwinners. Such employment projects would be to the advantage of the community or needy individuals.

Mr Kroutz said that the government was also aware of the problem and had initiated an emergency plan to help provide short-term employment.

In the meantime, it is organisations such as the local branch of World Vision people like Mr Kroutz and other welfare concerns who continue to provide temporary relief to these bushdwellers. Yet even they cannot help to fully alleviate the sordid and sad poverty stricken lives of East London's bushdweller communities.

# Blacks link poverty to free market system

NM 30/7/85

**Mercury Correspondent**

CAPE TOWN—Black people were suspicious of the free market system and tended to associate it with wide, racially based income and wealth inequalities, Prof Richard van der Ross and Prof Wolfgang Thomas of the University of the Western Cape have concluded.

These inequalities were in turn seen as the very cause of black poverty and unemployment, they said in the latest issue of Indicator S A, which is published by the Centre of Applied Social Sciences at the University of Natal.

The 'free market' concept raised strong emotional reactions, which could be visualised as a 'we-they' syndrome.

'The black man struggling to meet the basic needs of his household — in times of high inflation, tightened hire purchase and widespread unemployment — sees himself as the powerless, economic political underdog, as opposed to the economically secure and politically powerful (white and wealthy) "capitalist" stereotype.'

The constant exhortation of the media, business and Government spokesmen about the virtues of the free enterprise system made black people even more suspicious.

'They (black people) cannot but note that the rise in the free market ideology occurred at more or less the same time that food subsidies started declining, a gen-

eral sales tax was introduced and rapidly increased to 12 percent, rentals on council houses escalated, hospital admission fees increased, train and bus fares doubled and so on.'

The black working class were also to a certain extent influenced by highly articulate criticisms of the capitalist system by student leaders, trade unionists and other intellectuals in urban black communities.

'These radical critics argue that private enterprise is not merely incapable of solving the social and economic problems of the masses, but is in fact the very cause of black/white inequality and of racialism per se in South Africa,' Prof van der Ross and Thomas wrote.

## Instead

Very few people in the lower socio-economic scale could envisage themselves as the future business owners.

'They are looking instead for better wages, housing, education and health services, stable employment and some say in the economic and political decision making processes.'

The unqualified propagation of the 'free market' concept would not be able to prevent further polarisation.

To maintain peace will require, among other things, the emergence of some overarching socio-economic goal which is acceptable to both black and white people.'

State in new move to tackle problem of hunger

# Bold plan to funnel food to SA's needy

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SA 2/8/85

By Maud Motanyane and Jackie Unwin

The Government is planning ways of channelling surplus foods to the poor in a new move to tackle hunger.

South Africa has a hoard of thousands of tons of meat, and agriculture experts predict surpluses of potatoes, milk powder, sugar and eggs

"Thousands of malnourished South Africans desperately need food.

The Minister of Agricultural Economics and Water Affairs, Mr Greyling Wentzel, has announced that the Government is seeking ways to get surplus food to the needy

He said yesterday a committee of Cabinet Ministers is to investigate effective means of making the food surplus available to the less privileged.

## Storerooms overflowing

A spokesman for the department listed these surpluses:

- Meat — the Meat Board's storerooms are overflowing with 210 000 carcasses worth about R100 million.
- Milk powder — the surplus exported in 1983/84 was 3 500 tons, and is expected to be greater this year as many farmers have switched to producing milk as a cash product because of the drought
- Eggs — in 1983/84, 94 000 cartons of 30 dozen eggs were exported.
- Potatoes — the surplus removed from the market during 1983/84 was 80 000 tons.

The spokesman said there was a huge sugar surplus, but this did not fall under the Department of Agriculture

A Press statement by Mr Wentzel said the Government was engaged on a continuous basis in investigating, and monitoring undernourishment and malnutrition.

The department's spokesman said the meat surplus was about a three-week supply.

"I don't think our surplus is so big compared with other industries and other countries," he said.

"But eventually somebody will have to pay, possibly the taxpayers"

Yesterday the Meat Board announced it was launching a new discounting scheme in an effort to clear the surplus. But public relations officer Mr Koos Blignaut said it was still negotiating to export meat.

The vice-president of the Housewives' League, Mrs Jean Tatham, said the news of the project to aid the poor was "marvellous".

But this was announced in Parliament in April last year. It's taken 15 months for anything to see the light of day.

The announcement does not indicate anything is ready to start tomorrow. It still sounds very much in the planning stage.

"We think this project is essential. We are delighted — but only hope it happens soon."

● See Page 11

# TED takes interest in feeding schemes

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Education Reporter

STAR 8/8/85  
being run for about 600 children from schools in Johannesburg's eastern and central suburbs

About 6 000 white children in the Transvaal have been receiving food at school because their parents cannot afford to feed them adequately at home, a Transvaal Education Department (TED) statement revealed yesterday

"It is obvious the TED is giving very real attention to this problem," the statement said

It added that several cases of malnourished children had been identified and would be dealt with in conjunction with the Department of Health and Welfare

The provision of food was "done discreetly and with due consideration for the dignity of the pupils and their parents"

In May *The Star* appealed to the public to sponsor feeding schemes

The chairman of the "Winter School Feeding Scheme" and of the Jimmy O'Connor Welfare Services Club in Malvern, Mr Ronnie West, today said about R14 000 had been raised since the appeal

"The TED should become involved with the feeding. After all parents have paid taxes to send their children to school," he said

Mr West said his scheme fed about 600 pupils a day at a cost of R300 to R400 a week

"The children are given milk, porridge, bread and soup," he said

A school principal in the eastern suburbs said he had noticed a "definite improvement" in the performance of pupils

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# Blacks counter poverty with <sup>242</sup> stokfel movement

By Kate McKinnell

Most black people living on the Witwatersrand are members of stokfels, says Ms Veronica McKay, a sociology lecturer who recently delivered a paper on these mutual aid societies

Ms McKay, of the University of South Africa, compiled a paper for a Kontak seminar. She says stokfels are self-help associations which help poverty-stricken people to survive.

They are run by urban blacks as a way of saving money and coping with city conditions.

But what exactly is a stokfel?

Mr R Mfeka, Zulu lecturer at the University of the Witwatersrand, says the word "stokfel" is thought to derive from the stockfairs which used to be held in South Africa. He explains how the associations operate.

Groups varying in size form the core of the organisation. They hold meetings or parties weekly, bi-weekly or monthly, each time at a different member's house.

Food and liquor are provided and many stokfels also offer entertainment — singers or dancers. The parties last as long as people keep coming, which may be for an entire weekend.

Stokfels play an important social and recreational function, as they may be the only respectable entertainment available to black people in urban areas.

But their most vital function is as a form of compulsory saving, ensuring that individuals have relatively large sums of money available for major expenses like children's education, household appliances and furniture," says Mr Mfeka.

men and women and not only money is pooled — some organisations circulate groceries, others collect capital to pay deposits on houses or to start a small business.

"There is a great deal of overlap between stokfels and self-help associations. But these associations mainly collect money for funerals and

all the expenses that go with them," says Mr Mfeka.

He and Ms McKay agree that corruption is seldom found in stokfels. Each organisation has a constitution and rules are strictly enforced. Members who cannot pay the "table money" are expected to resign after reciprocating all payments.



VERONICA MCKAY "Stokfels seldom become corrupt"

He says each member of the stokfel pays the host of each meeting a set amount, called "table money". This amount varies according to the size and standing of the stokfel.

The host must pay all this money into his own or a joint account and he may not withdraw any without the consent of the stokfel. At the end of the year or at a specified time money is allotted to each member.

Each host may also make money at the stokfel by selling the food and liquor at inflated prices.

In some stokfels a system of reciprocity is maintained. The host records how much each member spent and she is compelled to spend the same amount in return when that member is host.

People usually have to be recommended by a stokfel member before they may join.

Stokfels are run by

# Veeplaas, shanty town, is the and ugly home of forgotten



A small section of Veeplaas, a shanty town which is home for thousands of people. Below: People queue for water from one of the few taps in Veeplaas. Many have to walk long distances to fetch water.



**Weekend P**

**LIVING** in shacks is part of life for thousands of people in the dilapidated Port Elizabeth.

It is a township where the shanty town is a mute testimony to an infant industry that is unacceptable in a "developed" country. In Veeplaas people live in board boxes, corrugated iron roofs, and bits of wire. Despite the dire conditions, residents have displayed a fighting spirit.

A few shacks catch the eye. Communal taps are scattered far apart and residents use plastic containers for anything. They have to walk metres to get water for drinking. Mr Yuvo Gcina, a permanent resident, said people carrying water often formed long queues and in the early-morning rush some work tried to jump the queue.

Veeplaas started with about 20 years ago and has mushroomed into a town with a population of more than 100 000.

Veeplaas people have come from all over black Port Elizabeth. Some are old KwaZulu townships that could not afford the rentals of the new houses that had been demolished. They have stayed in the old houses, but the new houses are beyond the reach of many.

In parts of the shanty town there are piles of rubbish and the air is thick with it. Most residents live in appalling conditions. There is no privacy. Shacks are just too many people.

The children stare with big eyes at the other life but squalor, overcrowding, and waiting a turn at the water taps, a stove and candlelight.

One shack dweller said "We are sleeping outside".

There is no electricity and this is a problem for children. Many families, who cannot even afford candles?

Mr James Mjekula lives with his family in a two-roomed shack. One room is for the other doubles as the children's room. There is a rough fire, a general room.

The two rooms are separated by a plywood wall which affords some privacy.

The interior of the shack is cluttered with a battered sofa, three kitchen drawers — a family's possessions.

The floor had been left in its original state. Carpet cuttings are scattered in the corners.

The holes in the walls are so big that you can see people passing outside.

Both Mr Mjekula's children go to school through lack of money. They eat two meals a day consisting of porridge. On weekends the family "splashes" a little on vegetables for one of their meals.

Mr Mjekula is unemployed and is looking for work regularly in the hope of finding something.

# Shanty town is the daily home of forgotten people

Weekend Post Correspondent

LIVING in shacks is part of everyday life for thousands of people in the dilapidated Veeplaas township outside Port Elizabeth

It is a township where heart-shaped memorials are mute testimony to an infant mortality rate that would be unacceptable in a "developed" nation

In Veeplaas people live in crude shacks made of cardboard boxes, corrugated iron, pieces of metal, wood and bits of wire. Despite the crude building materials, some residents have displayed a flair for building.

A few shacks catch the eye, but most are true shanties. Communal taps are scattered around the townships but are far apart and residents have to carry buckets and roll plastic containers for anything up to several hundred metres to get water for drinking, cooking and sanitation.

Mr Vuvo Gcina, a pensioner who has a tap outside his house, said people carrying 20-litre plastic containers often formed long queues and tempers sometimes frayed in the early-morning rush when those who were late for work tried to jump the queue.

Veeplaas started with about 300 shacks more than 15 years ago and has mushroomed into a 10 000 shack shanty town with a population unofficially estimated at more than 100 000.

Veeplaas people have come from different parts of black Port Elizabeth.

Some are old Kwaford township residents unable to afford the rentals of the new houses which replaced those that had been demolished. They had paid R12 a month for the old houses, but the new houses cost R85 a month — beyond the reach of many.

In parts of the shantytown the stench is unbearable and piles of rubbish are alive with flies.

Most residents live in appalling conditions. There is no privacy. Shacks are close together and there are just too many people.

The children stare with big eyes. They have known no other life but squalor, overcrowding, stinking latrines, waiting a turn at the water taps, food cooked on a pressure stove and candlelight.

One shack dweller said "When it rains, it's as though we are sleeping outside".

There is no electricity and this affects the studies of the children. Many families, who live from hand to mouth, cannot even afford candles?

Mr James Mjekula lives with his wife and two children in a two-roomed shack. One room is for the parents while the other doubles as the children's and general living-room. There is a rough fireplace on the floor of the general room.

The two rooms are separated by a door and a thin plywood wall which affords some privacy.

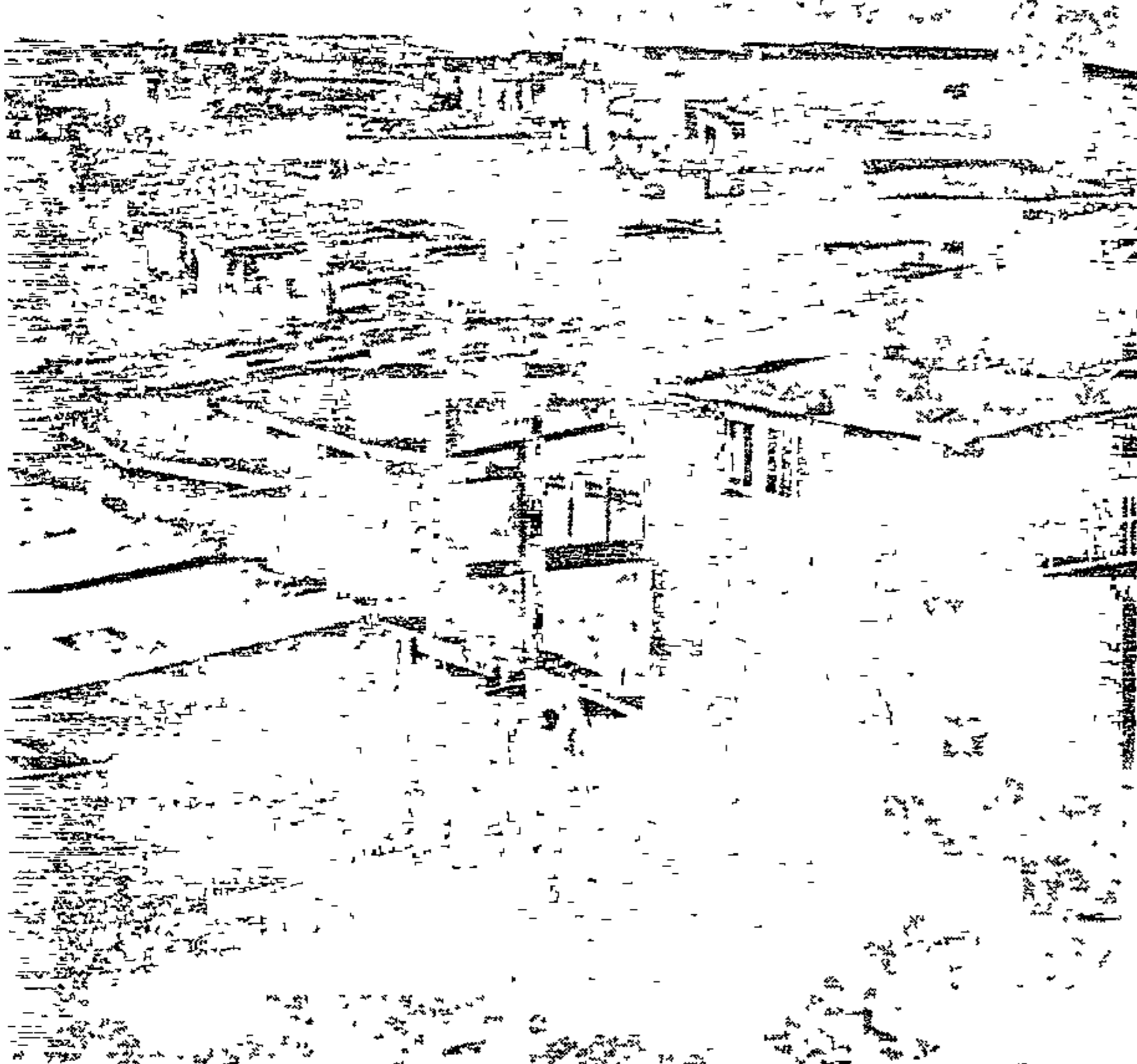
The interior of the shack is quite large and is furnished with a battered sofa, three kitchen chairs and a chest of drawers — a family's possessions.

The floor had been left in its raw state, but tattered carpet cuttings are scattered in the livingroom.

The holes in the walls are so bad in places that one can see people passing outside.

Both Mr Mjekula's children have been forced to leave school through lack of money. The family can afford only two meals a day consisting of bread or samp. At the weekend the family "splashes out", having chicken or vegetables for one of their meals.

Mr Mjekula is unemployed and catches a bus to Korsten regularly in the hope of finding some way to earn money.



Veeplaas, a shanty town which is home for thousands of people. Below is one of the few taps in Veeplaas. Many have to walk long distances to fetch water.





# Food for

# PE needy arrives

By SHIRLEY PRESSLY

12/09/85  
E POST

THE Deputy Minister of Defence, Law and Order, Mr ADRIAAN VLOK, today visited Port Elizabeth to launch the distribution of 50 tons of milk powder and 2 000 pockets of potatoes to needy people of all races in the Eastern Cape

He was present at the offloading of the first consignment which comprised 11 610 kilograms of potatoes and 7 425 kilograms of milk powder for the Ibhayi Town Council to be distributed in various PE townships

Mr Vlok said he had come to New Brighton to launch the distribution to show that the South African Government cared for its people

He said that during his recent visit to PE the State President, Mr P W Botha, had gained first-hand impressions of the malnutrition problem in the area

It had been decided that surpluses from three control boards — the Egg Board, Potato Board and Dairy Board — would be purchased for distribution to the needy

"We start today with the distribution of potatoes and milk powder and this can be the start of something bigger," he said

Mr Vlok said those who proposed disinvestment were not the friends of the working man The consumer boycott also led to malnutrition and would also lead to increased unemployment and the vicious circle would start all over again

Mr Linda said people who needed rations should report to the social workers at New Brighton or to the rent offices at Zwide and Kwazakele

Dr Japie Krynauw, Director of National Health and Population Development in the Eastern Cape, said that he had been asked to form a committee to supply surplus food to the needy of all races

The initial launch would be in the metropolitan areas of PE, Uitenhage, Grahamstown and Cradock

The Deputy Minister of Defence, Law and Order, Mr ADRIAAN VLOK (centre), the Mayor of Ibhayi, MR TAMSANOQA LINDA, and the Town Clerk of Ibhayi, Mr RENIER SCHOLTZ, gave a hand today in the delivery of the first of 50 tons of milk powder and 2 000 pockets of potatoes for the needy in the Eastern Cape.





A TYPICAL scene in Phiri. waits jolling about. There is a high birthrate here.

# They've learned to live in poverty

242

AKB

Sowetan 18/9/85

There is something that strikes me as rather quirky about Phiri Township in Soweto, which is the very name of the place

Phiri means wolf in

## Spotlight on Phiri



said

At a street corner, one comes across a group of young unemployed toughs, some of them nonchalantly puffing away at a *zol* of dagga

In the background, loud American music



pace.

Phuri means wolf in English. That is the quirk.

The impression that was engraved on our minds after a visit to Phuri was that this was one place where life is a perpetual struggle to keep the wolf away from the door.

The people here have learnt to live with the wolf always skulking around. Poverty and deprivation are a stark reality.

One cannot avert his eyes. There are the bony little children with hunger written on their faces, their stomachs distended.

They scamper around the streets, semi-clad in rags. Touching!

A little boy, not yet into his teens and looking physically stunted from years of malnourishment, does not hesitate to put his finger on one other devastating malaise that grips Phuri.

In reply to an enquiry as to where his parents were, he said, "My father is at home, and so is my mother. They both do not work. It is no use for you to see them because they are both dead-drunk."

Unemployment, alcoholism, overcrowding; if one could list all the debilitating factors present here, they could stretch out like a



## BY NAT DISEKO

grocery list. We visit the humble two-roomed abode of 72-year-old Mrs Elizabeth Blose, where she lives with her grandchildren. In all, 13 people live in this house.

"My child," she says, "the times we live in are hard. I am a widow and on welfare. I have to look after these children. Their parents have simply deserted them," she said.

## Smile

But 15-year-old Mpho Blose, with a ready smile says about Phuri "Phuri is not as bad as many people think. My friends and I have formed a small picnic outings now and then. We also play cool music and football as well."

They are also involved in a project to uplift the face of Phuri. "We started a little park outside the township on our own. We have already planted flowers. By mid-summer, it will be a really beautiful spot to relax at and play music," he

In the background, loud American music is blaring from a speaker. It is 'The Temptations' singing: "Thousands of lives, wasting away, people living from day to day. It's a challenge, just staying alive..."

We then meet local Mrs Muntu Nxumalo (38) at her neat and tidy two-roomed house. A divorcee, she is unemployed after being retrenched and lives with her three children, aged 16, 14 and 12.

She is the sort of person who believes that adversity has its uses. She laughingly makes small talk of her family's situation.

"Struggle. This is what life is all about and one feels proud to overcome the problems that everybody brings. One thing I will see to is to keep my children at school," she said.

She said that one thing that really disturbed her about Phuri was that there were so many children who were out of school, not because of the boy-botts, but because their parents could not or would not send them to school.

"We also have community spirit here. As neighbours, we share whatever food we have. Sharing is no disgrace because life must go on," she said.

THESE guys have clubbed together to do something about the environment in Phuri. From left, they are: Mike Mbatha, Sipho Mathe, Moeketsi Moshoeshe, Peter Mokoena, Samuel Ntando and Mpho Blose.



Mrs ELIZABETH BLOSE in her house with some of her grandchildren.



THREE visitors, all Mrs Muntu Nxumalo's neighbours, join her to watch TV. From left they are: Miss Queen Nkutha (28) and her two sisters, Pinkie (15) and Ntombi (14).



BOYS will be boys. These youngsters are having a joyride as the coalminer's cart wends its way around the streets of Phuri.

All pics: MBUZENI ZULI

# HELP COMMING FOR man in street

DISPATCH 21/09/85

2/2

**PRETORIA — A comprehensive package of economic relief for the man in the street — which will include food and other aid to those in distress — has been announced by the government.**

A surcharge of 10 per cent on all imported goods not bound by the terms of the General Agreement on Trade and Tariffs would come into effect on Monday, at the same time as the relief measures, the Minister of Finance, Mr Barend du Plessis, said at a news conference yesterday

The surcharge is expected to produce additional revenue of R400 million over the next six months and the cabinet has decided to supplement that with a maximum of R500 million from the Treasury

The additional revenue will be used for further special employment creation projects, in addition to the R100 million provided in this year's budget, and for assistance to the small business sector, which will be channelled through the Small Business Development Corporation

The funds would also be used for "direct relief of hunger and distress — which is increasingly evident among all population groups as a result of the high level of unemployment," Mr Du Plessis said

The relief funds will also be used to extend existing training and re-training programmes

Mr Du Plessis said de-

tails of this package were being drawn up and would be announced shortly

Further relief measures announced by the minister include a drop in motor vehicle hire purchase deposits and ad-valorem customs and excise duty on vehicles

The minimum permissible deposit for a passenger car will be reduced on Monday from 20 to 10 per cent, and from 30 to 20 per cent for commercial vehicles

The ad-valorem customs duty and the ad-valorem excise duty of one per cent on passenger vehicles will be abandoned from October 1

Mr Du Plessis said a cut of one per cent to 15 per cent in the Reserve Bank's discount rate earlier yesterday — which also comes into effect on Monday — constituted a further relaxation in monetary policy and was warranted in the light of the underlying circumstances in the financial markets

At least two of the major commercial banks — Nedbank and Barclays — have already decided to reduce the prime overdraft rate by one per cent to 18,5 per cent and other banks are expected to follow suit

Mr Du Plessis said that in view of the recent

downward tendency in interest rates, he was also looking at a possible cut in the dividend rate on those classes of building society investments enjoying partial exemption from income tax

"Such a step would reduce building societies' funding costs, which in turn would indicate a fall in mortgage rates"

Mr Du Plessis described the relief package as "moderately, but responsibly stimulating to the economy", and he did not expect it to increase the rate of inflation

He emphasised the package was flexible and could be adjusted.

The 10 per cent surcharge on imports would affect about 55 per cent of all goods brought into the country, Mr Du Plessis said

He added the moves could be seen as a swing towards a re-distribution of wealth in the country — Sapa

# Concern over food handouts

BY JANE CONYNGHAM

SOME welfare organisations in Port Elizabeth are unhappy about the allocation of the Government surplus of bags of potatoes and milk powder in the city's black townships.

Town Council has been solely responsible for distributing the food in black areas

Mr R J Scholtz, Town Clerk for the Ibhayi Town Council, said the distribution of milk and potatoes, which started about two weeks ago, had gone smoothly.

He said the council had so far distributed 774 pockets of potatoes and 240 packets of milk powder to unemployed people and pensioners in the townships. A total of 2 294 families, or 9 852 people, had received handouts.

Another 88 bags of potatoes and 60 bags of milk powder had still to be distributed to people who reported for assistance daily.

An Ibhayi Town Council worker said that many people holding food parcels had been harassed on their way home by groups of youths who had thrown food parcels to the ground and trampled them.

A spokesman for the Municipal Health Department said the department had received a number of reports about harassment of people carrying food

parcels. **E. Post**

Mr Scholtz, however, denied that people with food parcels had been harassed.

Mr Harold Davidson, organising fund-raiser for Care and Share, expressed concern that the remaining milk powder and potatoes might rot before distribution was completed.

He said the food could have been distributed more effectively if welfare organisations had been involved in the operation. "Care and Share received only about 100

bags of milk powder and no potatoes — yet our fund caterers for the needs of up to 25 000 needy people," he said.

"There is no reason for the Town Council to sit on the food welfare agencies in the city could do with the food right now. Some of the black social workers helped by us are desperate for extra food."

"If Care and Share were given a hand in distributing the handouts of milk and potatoes, we would get rid of the food in 48 hours."

Mrs Liz Ross, part-time helper for Care and Share,

said. **E. Post**

"I knew the bags of milk powder we were responsible for went to the right people. We were very disappointed that we weren't allocated more food."

A spokesman for the Municipal Health Department said the reason that the distribution of food had gone to the Ibhayi Town Council "could very well have been political."

Dr John Stadler, regional secretary of the YMCA in PE, said the YMCA could have helped to distribute the milk powder and potatoes

more effectively if it had been involved.

"I think if other organisations had been involved, the stockpile could have been reduced more quickly and effectively," he said.

"It was obviously an oversight that organisations like us were not given handouts. But the bags we received from Care and Share will be channelled directly to the right people. We have documented records of needy people in the townships and will make sure the food gets to them."

Instead the Ibhayi

Organisations like Care and Share feel they could have played a major role in distributing the food — part of 4 000 pockets of potatoes and 50 tons of milk powder purchased by the Government for needy people in the Eastern Cape

Another 88 bags of potatoes and 60 bags of milk powder had still to be distributed to people who reported for assistance daily.

Mr Scholtz, however, denied that people with food parcels had been harassed.

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# Govt gives food to E. Cape

DISPATCH  
26/09/85  
242

Dispatch Bureau

PRETORIA — A Department of National Health survey has revealed that hunger is widespread among areas in the Eastern Cape, the Minister of Health, Dr Willie van Niekerk, said here yesterday.

He said a start was made on September 12 with the distribution of foodstuffs to the hungry of all population groups. Potatoes and milk powder had been purchased through arrangements made by the Department of Agriculture with the agricultural boards.

Yesterday, Dr Van Niekerk said, milk powder and potatoes were delivered to black councils in Port Elizabeth and to all health clinics in the Port Elizabeth area.

Today, further deliveries would be made to Kwanobuhle in Uitenhage, Rosedale coloured area, Rini town council in Grahamstown, Lingelihle in Cradock, Mchäusadal coloured area and Kirkwood.

Supplies were provided for the school feeding scheme, the Care and Share organisation of the Port Elizabeth city council, and the Community Aid Action in the Eastern Cape for distribution.

Fifty tons of milk powder were available and 5 000 bags of potatoes, of 15 kg each, would be distributed initially.

Dr Van Niekerk praised the co-operation of all population groups and the authorities, as well as the private sector in the "life saving service".

# The misleading figures about poverty in SA

Labour Reporter DICK USHER reports on research findings which challenge some official assumptions about poverty

POVERTY datum lines were originated during World War II in an attempt to measure how many workers were living below the subsistence level, but now they are being used by employers to justify paying minimum wages

According to Ms Debbie Budlender, formerly a researcher with the South African Labour and Development Research Unit (Saldru) and now working for the Food and Canning Workers Union, their effect is to condemn people to continued poverty by being used to set wages which leave no room for improvement of the worker's situation

Ms Budlender, in a Saldru working paper introduced at a meeting at the Trade Union Library, questioned both the theoretical foundations of the various measures used to determine poverty and the commodities covered

For example, people living on or near the poverty line are rarely able to use the most efficient methods of buying food

"The prices of the various foodstuffs are based on the best prices applicable, in general those of the cheapest supermarket. Budget economists recommend that to get the best value for money the consumer should do one large shop a

month at one of the supermarkets, and restrict daily or weekly purchases to the absolute minimum of perishables," she said

Few workers can follow this advice because they have limited shopping time, use public transport which limits the number of parcels they can carry, usually live long distances from the bigger supermarkets, rarely have enough money to do all their shopping at one time and do not have facilities for storage

"They are thus forced to make smaller and more frequent purchases

"The goods have a higher unit cost both because of the smaller quantities purchased and because they are purchased at shops which invariably charge more than the supermarkets"

She points out that GST concessions are of little value to poorer people. Without refrigeration they have to buy tinned and other foods which will keep better, none of which are exempt from GST

Estimates of clothing costs are also inadequate, she says

"The woman is allowed two pairs of panties a year, three pairs of stockings are allowed, one winter nightie is allowed



There is no provision for summer nightclothes. Children's cotton pants and long-sleeved jerseys are supposed to last for two years. Raincoats are provided only for adults, even in the wet Western Cape"

Rent allowances are also completely inadequate

Unisa's Supplemented Living Level (SLL) for February, 1984, which allows for items beyond "the lowest sum possible on which a specific household can exist in our existing social set up" which form its Minimum

Living Level (MLL), budgeted R30 05 for rent. This was supposed to include compulsory expenditure on garbage disposal, sewerage, water, school and other levies, upkeep, taxes, electricity and wiring

Even in the cheapest Cape areas rents are above this, and in the newer areas they are twice or three times as much

For medical expenses the MLL allowed only R4,80 a month for a family of five

"This amount is not enough to cover the contributions to medical benefit funds, even less medical aids. The allowance thus does not even cover the costs of insurance against medical expenses," says Ms Budlender

In a Bureau of Market Research survey in 1980, the last year the BMR did such a survey, it was found that the higher SLL was only half the average household's level of expenditure and even then the average household was overspending its budget

"People are not happy earning just enough to keep body and soul together if they see people around them living in the lap of luxury. They feel that if they contribute to creating the wealth of a society they have a right to share in that wealth," she said

Health Department steps up aid for destitute families

# Govt gives R20-m to feed the hungry

242 STAR 22/10/85

By Sue Leeman, Pretoria Bureau

The Department of Health and Population Development it is to spend R20 million on relieving hunger among the destitute of all races.

The project is part of the R600 million Government programme announced recently to combat the effects of unemployment.

Minister of Health Dr Willie van Niekerk said today that his department would spend R10 million buying basic foodstuffs such as mealie meal, milk powder, eggs, sugar, meat and potatoes, for free distribution to the hungry.

A central committee comprising representatives of all relevant State departments and the parliamentary chambers would co-ordinate the distribution.

At local level, his department had set up committees to see that the food was distributed where it was most needed.

## Material support

He said food had already been handed out in 35 Eastern Cape areas, where the department estimated that one in four families was destitute. More than 70 000 kg of potatoes and 75 000 kg of milk powder had been distributed.

Dr van Niekerk said the other R10 million for the hungry would be made available to welfare organisations on a rand-for-rand basis.

"The objective is to provide material support to registered welfare organisations already involved in the distribution of food to the needy."

His department was busy determining norms according to which these organisations would qualify for assistance.

World Vision's marketing director, Mr Dave Cuthbert, applauded the announcement, saying he had long believed "that the Government cannot afford, in the light of the political climate, to have hunger on its doorstep".

Though World Vision had avoided using Government funds until now "because of the sensitivity of the matter", it would consider taking up the offer of rand-for-rand support.



Mr Nigel Matthews, governor in charge of the Market Precinct project, and Mr Clive G. Centenary Festival, hold paving stones which they

## Become a Jo'burg landowner

By Olga Horowitz

Citizens of Johannesburg now have a chance to own a piece of real estate in the city for a mere R50.

The "real estate" will be a paving stone in a pleasant

stone of 100 years

All of this has to do with the celebration of Johannesburg's 100th birthday next year in an exciting renewal of the Old Newtown Market Precinct. The area is to be

revived into a bustling

that not from the Council

The major is the Anglo-which has R950 000. This about R500

# State gives

# R20-m to

# aid hungry

STAR

23/10/85

242

By Sue Leeman,  
Pretoria Bureau

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## SENSITIVITY

Though World Vision had avoided using Government funds until now "because of the sensitivity of the matter", it would consider taking up the offer of rand-for-rand support.

Operation Hunger — South Africa's largest famine relief organisation — is "delighted" that the Government has decided to work through established networks, says Mrs Ina Perlman, the director

"We are facing a deteriorating situation of such magnitude that it has become imperative the Government should do something," she said

She added that until details were available she could not say if Operation Hunger would participate in the scheme



# POVERTY - MINIMUM LIVING STANDARD

1986-1989

# 'Back-to-food' day coming soon for hungry Transvaal youngsters

By Shirley Woodgate

For Transvaal children Wednesday is gloomy back-to-school day but for 1 000 hungry youngsters in Johannesburg's eastern suburbs it is "back-to-food day" — a return to at least one good meal a day

Mr Ronnie West, chairman of the Malvern-based Jimmy O'Connor Welfare Services Club, said although the organisation was battling to raise funds he believed this week would bring renewed appeals from at least 12 local schools for food parcels for hungry children

After principals confirmed last April that they all had severe hunger among pupils due to parents' unemployment and the recession, the club has regularly supplied food for about 1 000 high and primary school children

The suburbs affected are Malvern, Jeppe, Troyeville, Yeoville, Kensington, Fairview, Bellevue and Bez Valley

Lack of balanced meals was affecting the pupils' school performance For many of them, the daily handouts were there only decent meals

Staff members regularly collected items such as soup powder, cereals, porridge, sugar, powdered milk, peanut butter and tinned foods which were served to needy youngsters on weekdays

The club footed its monthly food bill of R2 500 from funds raised by street collections and functions as well as donations from the public and charity gifts from firms

A total of R18 000 was received in cash but the kitty is running low

"We must carry on until at least March when it is hoped that the authorities will be able to start subsidising these children," Mr West said.

● Donations may be sent to the Jimmy O'Connor Welfare Services Club, Box 40150, Cleveland 2020 or call (011)615-3590 for further details

# Suicide syndrome marks the hard times

Star  
11/1/86

(24)

By Colleen Ryan  
and Glenda Spiro

Economic hardship and political instability are fuelling family violence, suicide and aggression among all South Africans

Counselling services are hard pressed to meet the demand for help and at least one group, Suicides Anonymous, is planning to expand its operations because of the situation

A spokesman for Radio 702's Helpline said the number of distress calls was steadily increasing

"Two years ago we were receiving 800 calls a month and now we are receiving at least 1 400 a month on average," he said

At least 150 white South Africans have died in family killings in the past three years. Socio-political problems are also responsible for a big increase in crime and aggression in the black community

The emergency counselling service, Life Line, has noted an escalation in threats of family violence in both Johannesburg and the East Rand area

The clinical director of Life Line for the southern Transvaal, Ms Santie Pretorius, said there was a growing number of people with economic problems calling for help

She said breadwinners who tended to suppress emotional problems often reached breaking point when they lost their jobs and some threatened suicide or family killings

## POSITIVE

Ms Pretorius said one positive development was that after counselling, some families were now working together to overcome their material difficulties

Mrs Femke Snyman, director of Life Line on the East Rand, said there had been a marked increase in the number of desperate callers.

Soweto social worker Mrs Ellen Khuzwayo said problems of depression and poverty had become a way of life for many blacks. Most people did not consider seeking help and suppressed their anxieties

"Many people suppress their emotions and finally become very angry. In some cases the problem is manifested in crime or other forms of aggression"

Mrs Khuzwayo said the increasing number of family break ups and the abandonment of old-age pensioners by their families was also a symptom of the political and economic pressures

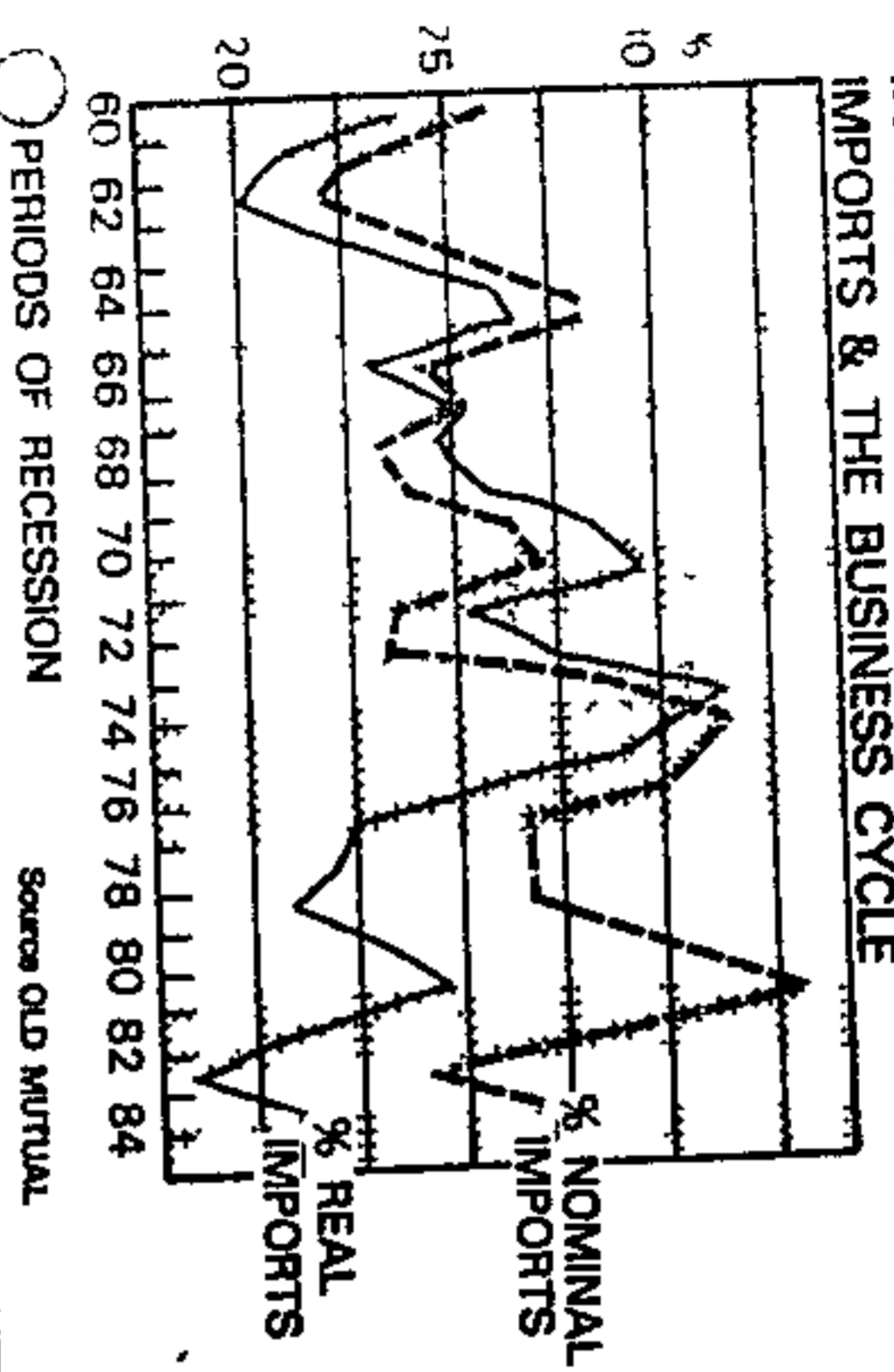
Suicides Anonymous is planning to expand its operations to all major cities in the country

Mr Sam Bloomberg, founder of Suicides Anonymous, said the number of suicide threats was growing

He said that black people were joining the suicidal pattern

Meanwhile the centre, which is funded by Mr Bloomberg personally, has plans for expansion and hopes to hire counsellors

**IN TANDEM:  
IMPORTS & THE BUSINESS CYCLE**



**GRIM OUTLOOK FOR SUB-SAHARAN AFRICA PREDICTED DESPITE RECENT HEAVY RAINFALL**

**World Bank gives warning**

WASHINGTON — The rains have come to Africa, and TV crews have left in search of another crisis, but experts say the economic outlook for the famine-ravished continent remains desperate. World Bank officials, who have been sounding alarms about a fundamental economic crisis in sub-Saharan Africa for years, say the late 1980s will be grim for the continent despite relief from a long drought, and that political stability in some areas cannot be ensured without increased foreign aid. They say the drought, which spread starvation, disease and death into 1985 — and triggered lavish Western relief efforts involving pop music and film

stars, among others — accelerated Africa's crisis but did not cause it. Similarly, the officials say, emergence from the much publicised drought and its after-effects will not end Africa's deep crisis, which derives from failed economic and social policies which only drags and prolonged change can reverse. "What we have worried about is what to do after the TV cameras go away," World Bank vice-president Edward Jaycox said. "If these reform ideas are in fact debunked by lack of external support, then we could have the whole process set back by a generation or more."

The process that led Africa to its present predicament has occurred in other regions with less serious impact.

As outlined by the World Bank, African countries have tended, almost without exception, to give farming a back seat to more prestigious investment in the cities.

Sometimes, such investments were pushed by what the bank describes as opportunistic foreigners who wanted to sell some type of equipment. They made loans at favourable rates and cared little whether the project would prove productive.

There were also well-meaning donors who started projects which had little chance of being sustained once the donor left. — Sapa-Reuters.

# Children of the shadows

Recessions bring not only economic burdens. Social problems also multiply in hard times. A case in point is the plight of the "twilight children" — the thousands of waifs living in limbo in the alleys of Hillbrow, Soweto and Lenasia. Reporters CRAIG KOTZE and DUNCAN GUY went to Hillbrow to look at an increasing and largely undressed problem.

In Hillbrow they are an indelible part of the nightlife — yet they occupy virtually every street corner either unnoticed or ignored by the trendy revellers and flatland residents who fill the pavements.

The contrast is almost overwhelming. At least a dozen alley children sit outside fast food joints sniffing glue, enviously watching their contemporaries wolf down richly sauced hamburgers.

Ranks are only broken for the children to briefly beg before scuttling back rapidly to friends occupying their corner refuges.

## FREE MEAL

The proceeds go towards paying for the greatest escape they know — glue.

They stink. The acrid smell of cheap glue follows them everywhere. They are unkempt with tattered clothing either too large or too small. One wears a four-year-old's dress as a jacket over his filthy T-shirt.

They tend to sleep during the day and emerge at night. An exclusively male circle aged between five and 18, these black "refugees" from broken homes, unsuitable parents and sprawling townships migrate to

the comparatively rich pickings of Hillbrow.

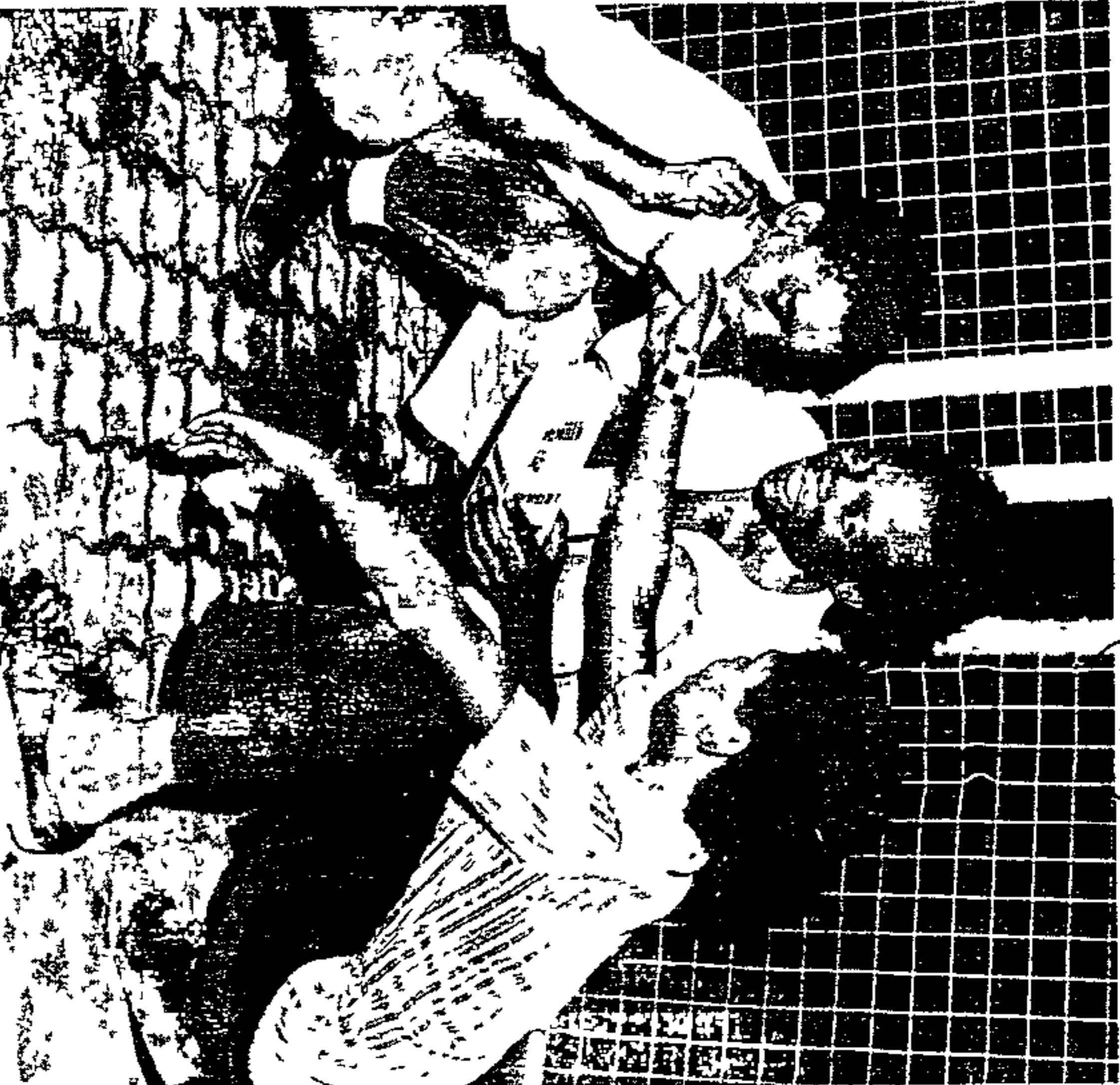
They crave acknowledgment, whether it be a few coppers dumped into an outstretched hand or even being shoed away from brightly polished Porsches.

Living on the fringe of normal human existence and hiding in the shadows of the concrete jungle, they are aptly named the "Twilight Children".

For them bread is literally the staff of life. There is little else except for those who can be persuaded to take the walk to Saratoga Avenue and the Twilight Children Organisation where a free meal and wash wait.

Formed in August last year and granted branch status of the Child Welfare Society, Twilight Children has taken on the daunting task of trying to reintroduce some of the children to a semblance of normality.

Says Mrs Jenni Gillies, a Twilight project volunteer worker and member of its management committee: "We estimate there are at least 140 abandoned children in Hillbrow alone. None of the established children's homes will accept them."



Alex Doko (15), Sliom Snyoka (16) and Tom Wilgaat (14) share a sniff of glue to help dull the discomforts of living on Hillbrow's streets.

## How Killer 'Brow's twilight world

The word "killer" tattooed on his chest gives Moses Mashhego (26) the name by which he is known among the gang with whom he lives in Hillbrow's streets.

By far the eldest among the group of youngsters Killer like the rest of them, earns up to R3 on a "good" day ushering motorists into parking places!

He boasts of how he spent five years in jail, saying he was convicted of murder.

But the smiling self confessed murderer looked harmless and help less when he told of how he ended up living among Hillbrow's "twilight" children.

His story was punctuated with laughs and giggles shared by the children around him — his manner of speaking affected by his almost permanent drunkenness.

"I came here from Bloemfontein 10 years ago to work but I lost my job when I was arrested for killing a white man."

"I used a shotgun to kill him," he says.

"They gave me a lawyer but he did not help — I never even got my R200 bail money back."

**FOOD GLUE**

Since coming out of jail where he says he spent five years, Killer has lived off the streets — buying mainly food and glue with the few cents he earns.

Next to him stands a 14 year old boy who says he came to Hillbrow from Alexandra.

The rest of the mob point at him and cackle. "No, he is a colour!" Young Tom Wilgaat then says he came to Johannesburg from the Cape and after his parents died headed for Hillbrow to "join the other children."

Sliom Snyoka (16) says he would love to work.

"I have few clothes and do not eat much every day but I can make money here parking," he said.

Also an orphan, Sliom has now cruised the streets of "the Brow" for over a year.

The group, whose favourite sleeping place is "underneath Checkers" in Kotze Street, denied ever fighting with one another and spoke of sharing their profits.

But when begging for food, one fellow requested we hand bits out to each individual.

"If you give it to him, he will run away and eat it all," he said pointing at one of his mates.

# Probe into needs of coloured community

AKG  
23/1/86

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FRANS ESTERHUYSE of the Political Staff speaks to Mr Chris April, Minister of Health Services and Welfare in the House of Representatives

A country-wide investigation into the needs of coloured communities is being launched by Mr Chris April, Minister of Health Services and Welfare in the House of Representatives

He has called for a "community profile" of each coloured community in towns, villages, urban areas and remote settlements setting out full details of living conditions, health and social needs.

In an interview in his office in Cape Town this week Mr April explained that this project was the second phase of his five-year plan to raise the quality of life of the coloured people

The first phase, on which he concentrated during his first year of office last year, was to make personal contact with people at grass-roots level in all communities served by his department

The community profiles would be compiled this year during investigations to be conducted by social workers and others in his department. They would be assisted by MPs

Once he had received their reports on each community, priorities would be determined. He would then know exactly where the greatest needs were and what had to be done

## Malnutrition

Subsequent phases of his programme would include the tackling of major social and health problems such as malnutrition, unwanted pregnancies, inadequate facilities for caring for the aged and for retarded and disabled people, and social conditions underlying the high incidence of early school-leaving among coloured children

Mr April said his long-term aims were to continue moving towards parity for the coloured people in pensions, subsidies, allowances and other fields of State aid and services, and to pave the way for a single Department of Health and Wel-



Mr Chris April

"I emphasised that each person was important to South Africa and that our aim is to give them a new dignity"

At the remote village of Lekkersing, in the heart of the Richtersveld, a man in the audience referred to Mr April as "Meneer die Eerste Minister".

When told by the chairman that Mr April was not Prime Minister but a Minister of the House of Representatives, the man, known as Oom Elias, insisted that Mr April was the "Eerste Minister" because he was the first Minister ever to have visited the people of Lekkersing

"This is the kind of response I have received everywhere. People embraced me, kissed me, wept over me, and welcomed me as 'Our Minister'. Everywhere I received a fresh mandate to continue my work towards promoting their interests

"My belief is that if you want to improve the quality of life of people, you must get out of your posh office and go on your knees to the people at grass-roots level," Mr April said.

"People must not have the slave mentality or the hand-out mentality. The idea is that they must learn how to use their own hands and how to eat cor-

... to serve all population groups

Speaking with great enthusiasm about his plans, Mr April, a former clergyman, made it clear that he regarded his job as a major challenge calling for a personal crusade to seek a better life for people, especially for the poorest of the poor

Last year — his "Year of Contact" — he visited 161 towns, villages and urban residential areas throughout South Africa and personally met more than 33 000 pensioners and others receiving state aid

"I visited virtually every town in South Africa where coloured people live. I spoke to the people at meetings, told them exactly what we were doing and what our aims and plans were. I spoke to the people, made contact at grass-roots level and shook hands with every person.

... pension money, directly and economically how to teach their children to become independent"

Mr April said a matter that worried him and which he regarded as a great priority for improving quality of life was the high incidence of coloured children leaving school too early

According to a report from the President's Council on demographic trends, 48 percent of coloured children left school at Standard Two level

Such children could not be employed and were likely to remain economically unproductive and unemployed. There was an urgent need for something to be done about this problem

Another serious problem was that of unwanted pregnancies and the growing number of retarded children

This was also a matter that had to be dealt with at grass-roots level.

# Savimbi wins US support as major Fapla strike looms

STAR

19/2/86

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The Star Bureau

WASHINGTON — The United States would start supplying the Angolan rebel movement Unita with aid, including covert military support, "as soon as we can", the Reagan administration's top official on Africa, Dr Chester Crocker, said yesterday.

He made the announcement at a Senate Foreign Relations Committee hearing, ending weeks of speculation and leaks about imminent US aid to Dr Jonas Savimbi and Unita.

The decision also follows months of heated debate here on the issue.

Decisions on aid had been and were being taken in the administration. It wanted to the support to be "appropriate and effective, and that means as soon as we can," Dr Crocker said.

He said the Reagan administration was aware of the possibility of another major military offensive against Unita by the Angolan Government forces, Fapla, once the rainy season ended there in April or May.

## Troops massing

Asked if this aid would include weapons effective against Soviet tanks and helicopter gunships, Dr Crocker said "We want it to be effective and obviously that covers the ground covered in your question. We are aware of what 'effective' means in this context."

John D'Oliveira, Editor of *The Star's Africa News Service* writes that US anti-tank and anti-aircraft missiles could pro-

vide Unita rebels with the edge they need to beat off the approaching onslaught from MPLA Government forces.

In a determined attempt to wipe out the rebel capital at Jamba in south-eastern Angola, Fapla units concentrated in the Mavinga area between July and October last year for their biggest assault yet on Unita.

They were beaten in bloody fighting and shortly afterwards military aircraft began the airlift of hundreds of millions of rands' worth of military equipment to airfields at Menongue and Cuito Caunavale, probably in anticipation of a counter-attack from Unita.

However, the counter-attack never came and the military equipment formed the nucleus of the build-up for a second, massive push towards Jamba.

In the earlier fight, Unita guerrillas armed with light weapons, anti-tank guns, anti-aircraft guns and mortars had a tough time against armoured vehicles, aircraft and Russian helicopter gunships.

There have since been reports that Fapla has massed men, armoured vehicles, helicopters and other equipment near Mavinga. In addition, it has improved the radar capabilities at Menongue and Cuito Caunavale and has increased the number of aircraft based there.

In the earlier engagement, Unita fighters destroyed a number of armoured vehicles, and shot down at least 16 aircraft, including two helicopter gunships.

## Situation hopeful

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Economics Reporter

ALL population groups in SA should be able to achieve internationally acceptable standards of living, says Prof Jerry Eckert of Colorado State University, US, in the February issue of *Development Southern Africa*.

Indices are calculated by using the statistics of infant mortality, life expectancy at one year of age, and adult literacy.

On this basis, whites have a quality-of-life figure of 92,3, Asians 86,2, coloureds 73,5 and blacks 65,7.

The figures for Zimbabwe and Tanzania are 62, for Kenya 55, Swaziland 49 and Angola 34.

Eckert believes a figure of 77 — the worldwide goal for the year 2000 — can be reached by SA.



# SATS finds no irregularities in handling of famine relief

STAR 25/2/86

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By Kym Hamilton, Pretoria Bureau

South African Transport Services paid out R2 600 to the World Food Programme (WFP) during 1985 in compensation for bags of the American-made famine food powder which went missing during transit, a spokesman said

He said the money was paid to the WFP and not the shipping agents, Gundelfinger and Sons, as was previously understood. All the claims related to bags which were destined for Lesotho, but for various reasons were left behind in SATS trucks and were later impounded at Kazerne and other railway depots.

Some of the bags of Corn Soya Milk (CSM) were sold on public auction by the SATS to defray expenses

However, the auction was stopped by the Minister of Transport, Mr Hendrik Schoeman, this month (after a Press report about famine relief food being sold) and only 240 of the 22 kg bags were sold to the public

The spokesman said representatives of the WFP had been in touch with the SATS and were satisfied with the arrangements

## No irregularities found

An investigation by the Railways Police had also failed to uncover any irregularities.

Earlier reports said 400 tons of the food powder had failed to reach Botswana. However, the Zimbabwe Railways was responsible for transport to Botswana and SATS was not responsible for any missing freight in that instance, the spokesman said.

SATS transported about 65 000 tons of CSM during 1985 and 22 tons of that was impounded when it failed to reach its destinations. The food powder was shipped from the United States to Durban where some of it was loaded by SATS and others by Gundelfinger and Sons at the shipping agents' sidings.

Gundelfinger and Sons said arrivals in Botswana from a recent shipment continued into February. The receiving destination first lacked certain cargo transit particulars and it was possible that would account for initial reports that there was a shortage of 400 tons



Two baby squirrel monkeys family in Fish Hoek adopted the two babies look

## Krugerrand ban not yet official

STAR 25/2/86 The Star Bureau

LONDON — Mrs Thatcher's proposed ban on the import of Krugerrands appears to have failed so far

Customs officials at Birmingham international airport tried to impound a consignment of the coins last Friday — to find that no official import ban has yet been made

An unspecified number of the coins in an unaccompanied case was awaiting collection by their owner when customs officers began proceedings to impound the coins

The Department of Trade and Industry said its officials were still studying rules governing free trade and import controls to decide on the best way to ban the import of Krugerrands

# Lack of sensitivity shown to low-income groups, says Schwarz

18/3/86 STAR # (circled) 242 (circled)

: All  
: Yes  
: Yes

By David Braun,  
Political Correspondent

CAPE TOWN — The Budget did not cater in any meaningful fashion for the problems of the lower-income groups, the unemployed and the impoverished

Its figures lacked credibility. There was none of the imagination or realism which could have dealt with major threats to stability and with the serious economic problems which threatened the country's ever-increasing population and its legitimate expectations

This scathing analysis of the second Budget of Finance Minister Mr Barend du Plessis was made by the Progressive Federal Party spokesman on finance, Mr Harry Schwarz.

He said he had great difficulty in accepting the expenditure figures announced in the Budget

### DIFFERENT PICTURE

This was because the history of the past few years demonstrated that the Government underbudgeted on its spending

The current Budget showed numerous signs that the figures submitted were unrealistic and that the picture at the end of the year was likely to be quite different

A clear characteristic of the Budget was the almost total absence of measures designed to combat inflation. On the con-



Mr Harry Schwarz . . . "funds for jobless inadequate".



Mr J J B van Zyl . . . "white taxpayer will suffer".

trary, Mr Schwarz said, the Budget, in many respects, would further stimulate inflationary tendencies

"The increase in the bread price should be regarded as disastrous in these times and demonstrates total insensitivity towards the hardships of particularly the elderly, the low-income groups and the unemployed," he said

Mr Schwarz said the funds allocated to deal with the unemployment problem were still inadequate. This was all the more regrettable as this was, and would continue to be, a major factor in the instability of the country

If there was money available for tax concessions, GST should have been reduced in the light of the high rate of inflation and the

plight of the lower-income groups and the unemployed

"In any event, the tax concessions for individuals were illusory as the Government intends to take, after the concessions, well over an extra R1 000 million from the pocket of individual taxpayers by way of income tax compared with last year

To this had to be added the increased GST of R1 300 million which the Government anticipated collecting this year

### TARIFF INCREASES

Mr Schwarz attacked the Budget as an ad hoc affair which sought to deal with a short-term situation and gave little indication of any real assessment of priorities or long-term planning

"One cannot look at this Budget in isolation, but must examine it in the light of all the other recent tariff and government-administered price increases," he said

The Conservative Party finance spokesman, Mr J J B van Zyl, was also highly critical

The Budget was dangerous, he said, because it killed the goose that laid the golden egg — the white taxpayer, continued to redistribute income, failed to curtail inflation, failed to provide extra resources for the desperate plight of the farmers. Also, it underbudgeted for State spending, he said

The middle-to-low-income groups would be penalised heavily as a result, he said

the hon member for Langlaagte entitled to call another hon member in this House a quitter?

†Mr S P BARNARD: That I did say, yes. [Interjections.]

†An HON MEMBER Yes, but you also said something else

†Mr S P BARNARD: I said he is a quitter [Interjections.]

†Mr SPEAKER Order! I do not think the word "quitter" is unparliamentary

Mr D J N MALCOMESS Mr Speaker, arising further out of the hon the Deputy Minister's reply, may I ask him whether the Army, in view of the fact that they have in the past called farmers off their farms and have done so on more than one occasion in the area to which I am referring—although I do appreciate that they are not going to make a habit of doing so—will in future make arrangements for the protection of the wives? Either the wives should be allowed to come into the central community where they can be protected, or some alternative arrangement should be made for them to enjoy protection on their farms After all, it is desperately worrying for men who are doing their national service away from their homes at night to know that their wives and children are unprotected on their farms

†The DEPUTY MINISTER Mr Speaker, we in the Defence Force have sympathy with those inhabitants and with the families who remain on the farms However, I cannot give the hon member the assurance that something like that will not happen again We are busy implementing a system in terms of which we will have a "blanket protection" of members of commando's across the country I do, however, want to give the hon member the assurance that the system is applied with great caution because we are concerned about the safety of the women and children on the farms

Mr D J N MALCOMESS Mr Speaker, further arising out of the reply of the hon the Deputy Minister and in view of the fact that it was he who personally answered the last question I raised on this subject in this

HANS 43786 285  
KwaZulu: consolidation  
†Mr B W B PAGE asked the Minister of Constitutional Development and Planning

Whether the farms (a) Groenenberg 844, (b) Buffelsdraai 829 and (c) Inanda 818 in the magisterial district of Inanda are to be excised in terms of the consolidation proposals for KwaZulu, if so, when in each case?

The DEPUTY MINISTER OF DEVELOPMENT

(a), (b) and (c) No According to the consolidation proposals for KwaZulu made by the Commission for Co-operation and Development, it is proposed that the farms Groenenberg 844, Buffelsdraai 829 and Inanda 818 are to be incorporated in KwaZulu, pending the final decision of the RSA Government

HANS 285 43786  
Corn soya milk  
†Mr R W HARDINGHAM asked the Minister of Transport Affairs.

(1) Whether a portion of a consignment of American corn soya milk intended for famine relief in Third World countries was (a) off-loaded in and/or (b) transported to the Republic, if so, when,

(2) whether permission was granted for this to be done, if so, on whose authority, if not,

(3) whether any action has been or is to be taken in this regard, if so, what action?

†The MINISTER OF COMMUNICATIONS (for the Minister of Transport Affairs)

(1), (2) and (3) Large consignments of corn soya milk powder intended for Third World countries were transhipped in South African harbours and conveyed by rail to the countries concerned A quantity of the milk powder was left behind in the

trucks returning from foreign lines As claims in this respect were paid out to the World Food Programme, some 240 bags were auctioned to defray expenses.

The disposal of any further quantities will be negotiated with representatives of the World Food Programme.

Maj R SIVE. Mr Speaker, arising from the hon the Minister's reply, I should like to know whether permission was obtained from the hon the Minister of Agricultural Economics to import such powder into South Africa

†The MINISTER: Mr Speaker, I am not the Minister concerned with this matter but to me it sounds like a totally irrelevant question.

Corn soya milk

\*19 Mr R W HARDINGHAM asked the Minister of Agricultural Economics:

(1) Whether a portion of a consignment of American corn soya milk intended for famine relief in Third World countries has been sold in the Republic, if so,

(2) whether permission was granted for this product to be sold in the Republic, if so, on whose authority; if not,

(3) whether any action has been or is to be taken in this regard; if so, what action?

The MINISTER OF AGRICULTURAL ECONOMICS:

(1) I am only aware of the press reports in this connection.

(2) No, not as far as my Department of Agricultural Economics and Marketing is concerned, in fact, it would appear that such imports may be effected without a permit from the Department.

(3) Falls away

Maj R SIVE: Mr Speaker, arising from

the hon the Minister's reply, I should like to ask him whether he is going to take legal action against the people who perpetrated the sale of this particular product.

The MINISTER: Mr Speaker, that is not possible because it is not the responsibility of my department to issue that specific permit

Maj R SIVE: Mr Speaker, further arising from the hon the Minister's reply, does it not fall within the ambit of the Dairy Industries Control Board?

†The MINISTER: Mr Speaker, the hon member himself is not sure about the position. These are not primary products involved here, but processed products. That means that my Department does not necessarily have to issue a permit therefor

Mr R W HARDINGHAM Mr Speaker, further arising from the hon the Minister's reply, I should like to ask him whether his department intends taking any action to ensure that the sale of these products does not take place in the future. Is he going to take any action in regard to this particular matter?

†The MINISTER: Mr Speaker, should it fall under the jurisdiction of my Department and should it involve a threat to existing agricultural products in South Africa, then we can obviously take steps under the various schemes and we shall also do so in this case

HANS Q. COL 287  
4/3/86  
\*20 Mr F J LE ROUX asked the Minister of Foreign Affairs †

(1) With reference to his reply to Question No 9 on 11 February 1986, what, as at the latest specified date for which figures are available, were the travelling and subsistence expenses of officials who negotiated with representatives of the Dutch Government in connection with the Klaas de Jonge case,

(2) whether any progress had been made in connection with this matter since

his reply to the above-mentioned question; if so, what progress?

†The DEPUTY MINISTER OF FOREIGN AFFAIRS:

(1) R14 903

(2) The Netherlands Government has been informed that a charge sheet will be furnished to Mr de Jonge through the normal diplomatic channels which has been done in the meantime

HANS Q. COL 288  
4/3/86  
\*21. Mr R M BURROWS asked the Minister of Law and Order †

(1) Whether any incident involving members of the public and members of the South African Police took place at KwaDengezi, Pinetown, on or about 9 February 1986; if so, what (a) was the nature of and (b) were the circumstances surrounding the incident,

(2) whether any persons were killed or injured in the incident, if so, (a) how many in each case and (b) what are their names,

(3) whether an investigation has been instituted into the incident, if not, why not, if so, (a) who is in charge of the investigation and (b) when is it anticipated that a report will be submitted?

The MINISTER OF LAW AND ORDER

(1) Yes

(a) and (b) Allegedly a police patrol on 9 February 1986 fired at six (6) Black youths, who threw stones at them

(2) Yes

(a) (b)

Killed 1 Mbongeni Mgedezi  
Injured 1 Delani Sithole

(3) Yes.

(a) A commissioned police officer

(b) As soon as the investigation is completed the matter will be referred to the Attorney-General for a decision

(3) Yes

(a) A member of the Criminal Investigation branch of the South African Police

(b) As soon as the investigation is completed, the matter will be referred to the Attorney-General for a decision

HANS Q. COL 289  
4/3/86  
\*22 Mr R M BURROWS asked the Minister of Law and Order †

(1) Whether any incident involving members of the public and members of the South African Police took place at Chesterville, Westville, on or about 16 February 1986, if so, what (a) was the nature of and (b) were the circumstances surrounding the incident,

(2) whether any persons were killed or injured in the incident, if so, (a) how many in each case and (b) what are their names,

(3) whether an investigation has been instituted into the incident, if not, why not; if so, (a) who is in charge of the investigation and (b) when is it anticipated that a report will be submitted?

†The MINISTER OF LAW AND ORDER.

(1) Yes

(a) and (b) During the night of 16 to 17 February 1986, petrol bombs were thrown at two private houses and a private vehicle in Chesterville. At about 03h20 on 17 February 1986, a police patrol came across about 20 Blacks where they were busy making petrol bombs. They ignored a police command to stand still, hurled a knife at the police and ran away. The patrol then fired at the fugitives with shotguns

Lebowa: Commissioner-General  
HANS Q. COL 290  
4/3/86  
\*23 Mr P G SOAL asked the Minister of Constitutional Development and Planning †

(1) Whether any steps were taken in respect of the Commissioner-General of Lebowa recently, if so, (a) what steps, (b) when, (c) on whose instruction and (d) why;

(2) Whether he or his Department has received any representations requesting that such steps be taken, if so, (a) when, (b) from whom and (c) what was the response thereto,

(3) whether any action is to be taken in connection with these representations, if not, why not; if so, (a) what action and (b) when?

The DEPUTY MINISTER OF DEVELOPMENT

(1) Yes.

(a) It was decided that there will be no contact between the Lebowa Government and the Commissioner-General. This decision will be reviewed on request of the Lebowa Legislative Assembly

(b) 14 February 1986.

# Emergency aid scheme comes under fire

By Susan Fleming

Operation Hunger, academics and the Progressive Federal Party have attacked the Government for not using R6 million of the R10 million allocated to its emergency feeding scheme

But Dr Colin Cameron, who runs the scheme, said although it was not perfect, he believed it had been successful, and the Government would probably provide it with more money this year.

This month the Government returned R6 million earmarked last September for the destitute to the Treasury because they could not "find enough destitute people" to feed

Also, some of the R5 million allocated to provide "rand-for-rand" help to welfare agencies, has been returned.

The Progressive Federal Party spokesman on health, Dr Marius Barnard, plans to investigate. He said yesterday he would raise the issue in Parliament as soon as possible

## DESTITUTE

Dr Barnard questioned whether the scheme had been implemented properly

"The consistent reports of malnutrition make it difficult to believe destitute people could not be found," he said

Dr Cameron, the chairman of the co-ordinating committee of the emergency feeding scheme, said "This scheme was introduced to alleviate the plight of the desperately hungry. It was not intended as a full feeding programme for people suffering from malnutrition. We have other programmes within the department which cope with malnutrition."

Several relief organisations were refused Government aid because they were not registered as welfare organisations.

Operation Hunger, which is registered as a fund-raising organisation, was refused help for this reason

## BADLY ORGANISED

The director of Operation Hunger, Mrs Ina Perlman, said her organisation was now feeding about 700 000 people a day and was appealing for more funds to feed an additional 250 000

The regional director of Operation Hunger in the Eastern Cape, Mrs Rosella Frasca, said the scheme had been badly organised and the money had not been channelled to the right organisations

"Many welfare organisations are simply not equipped to carry out this kind of task. Organisations who deal with these problems every day would have been far more suitable," she said.

Mrs Frasca said she had visited a town near East London this week where food had been delivered "The community did not know what to do with it. I have heard of cases where food has been delivered and left until professional people have offered to help," she said.

Professor Peter Bundred, head of the Wits Family Health Unit, said there had been an upswing of malnutrition

He added that the Government should not have expected people to request aid — they should have gone out and found people who needed food.

27/3/86

# Nuns fight poverty in N Tvl

SPAR

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By Kate McKinnell

In desolate areas of the northern Transvaal, people who need help can't be turned away.

Nuns working in these depressed communities know the problems are often life-or-death matters, and their credo is to combine faith with action in the community.

Brother Giovanni, a secular brother working in Johannesburg, has undertaken to help these nuns by making people aware of the appalling conditions he has seen in their areas

"With unemployment and generalised poverty, mothers are travelling to the cities, trying to find work, and are unable to ensure their children's safe care.

"Some children are even abandoned, and we are also finding deserted old people. Malnutrition is another major problem in both young and old," says Brother Giovanni.

He says an order of nuns, the Hand-

maids of Christ the Priest, which works in the Kgomo-Kgomo area north of Pretoria, has established a creche to help mothers who are unable to care for their children.

Not only does this ensure the children are safe, but meals at the creche counteract poor nutrition while games and lessons give the children vital stimulation, helping to prepare them for school.

"A major problem is the lack of equipment in the creches — even simple things like plastic bottles would be valued and put to good use," says Brother Giovanni.

He says the nuns tackle every problem in the communities, growing vegetables and rearing chickens, sheep and pigs for food and to encourage others to do the same.

In other areas, nuns have opened homes for the aged, schools and self-help centres

If you can help, telephone Brother Giovanni at (011) 642-0123.

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81

# Winnie gives Brandfort a belated Christmas

By Rich Mkhondo

Christmas came late for residents of Brandfort's black township Chanting, marching and stomping, they cried for more when Mrs Winnie Mandela dished out food parcels yesterday

It was Mrs Mandela's first visit to the small, remote Free State township — to which she was banished in 1977 — since she left there last August after her house and the adjacent clinic were firebombed

The parcels she distributed were donated by Operation Hunger and the German Embassy

Amid jubilation, ululations and cries for "one more bag, Mummy", she handed out parcels containing six cups of maize meal, tea, coffee, rolled oats, soaps and mixed vegetables. Clothing, curtains, napkins and toys for the creche were also distributed

Leading up to the clinic, which has been rebuilt, was a queue of frail residents waiting to see a doctor who came to the township with Mrs Mandela

Elderly people spoke of poverty and hunger in the area and said Mrs Mandela had "rescued them for some days".

## DEHUMANISED, HUMILIATED COMMUNITY

Mr James Matomela (87) said "Six cups of maize meal is too little for any family. But for the poverty-stricken, dehumanised and humiliated community of Brandfort, it is enough

"In other communities, one could select the families which really need help. In Brandfort, we all need help

"I and my wife depend on a joint bi-monthly pension benefit of R102. We pay R41 for rent and service charges and live on R61 for two months"

A resident who asked not to be named, said "In the middle of a wealthy State, here we are receiving food from Operation Hunger. Unless there is housing, work and food for everybody in a wealthy country like ours, the reforms the Government is talking about are a gigantic fraud".

Representatives from the German Embassy added 22 bags of maize meal and bananas

Mr Fritz Fiefer of the embassy said "One of our ambassadors was the first to donate supplies when Mrs Mandela was banished here nine years ago

"When he returned to Germany, he collected toys for Winnie's creche. We are here today to give them away."

As Mrs Mandela left Brandfort, the people formed a guard of honour.



Mrs Winnie Mandela hands out food to youths in Brandfort yesterday.

● Picture by Herbert Mabuza.

## 'Public not to blame for lack of road funds'

Transport Reporter

It was absurd for the Government to complain that road users did not pay their share towards road infrastructure costs when it spent only a small proportion of road users' payments on roads

This statement was made by Mr Phil Erasmus, the past chairman of the Public Carriers Association, in the latest issue of the Southern African Bitumen and Tar Association (SABTA) newsletter

Mr Erasmus said the problem of funding road construction and maintenance lay with the allocation of funds — not their availability

He said only 16 percent of the payments made by road users were dedicated to expenditure on roads

Mr Erasmus also said the need for road maintenance was growing

"The more kilometres of new roads that are built, and the older the roads get, the greater becomes the amount of maintenance needed"

Japan funds black students  
Japan has established a R1 million scholarship fund for black students studying in South Africa.

The Japanese Consulate said the fund, which was formed on February 3, had already allocated R9 000 each to two students who would be studying at local universities this year

Japan, which donated R400 000 to the United Nations Education and Training Planning for Southern Africa last year, said it would this year contribute R600 000 to the fund

# check Checkers

# OAU ready to back 5-year plan for economic recovery

31/3/80 STAR

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**HARARE** — The Organisation of African Unity (OAU) is preparing to give its backing to a five-year plan for the economic recovery of the African continent.

Foreign Ministers of the 50-member organisation are to give political approval to the programme drawn up by the United Nations Economic Commission for Africa (ECA).

African finance and development Ministers have been meeting for the past three days to finalise the document before it is presented to Foreign Ministers at an OAU Council of Ministers meeting today and tomorrow.

The economic package has become known here as the "bootstrap" plan after a comment by Zimbabwe's Finance

Minister, Mr Bernard Chidzero, chairman of the ECA meeting.

He said African countries needed foreign help but to halt their decline they had to pull themselves up by their bootstraps.

The African countries estimate they will need investment of about R248 000 million to ensure prosperity by the end of the decade. Seventy percent of this is to come from their own domestic resources.

They are to appeal to the international community for the balance of R76 000 million when they meet for the UN General Assembly's special session on Africa at the end of May.

Western countries which directly or indirectly provide most of the continent's aid have made it clear they are not pre-

pared to keep this up indefinitely.

African Finance Ministers emphasised during the ECA meeting they did not wish to go to the UN meeting in New York with cap in one hand and a begging bowl in the other.

Their plan to halt Africa's economic collapse gives main priority to agriculture and industries associated with it.

A major drawback is the continent's enormous R360 000-million external debt and its estimated annual service payments of about R29 000 million to R48 000 million.

African countries want this burden reduced by a mixture of converting some loans to grants and long-term rescheduling for others — Sapa-Reuter



# Helping the really destitute

12/4/86 SML  
Own Correspondent

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A Pretoria-North couple have been sleeping out in the cold for weeks now — they let their four children, (aged 13, six, three and two) have the sleeping space in their "home" — a small family car

This family is but one of the 550 destitute families which have approached the Pretoria-North based charity organisation, Werk en Oorleef (Work and Survive), since the beginning of March.

"They flock to us out of desperation, sometimes on the verge of suicide, some too afraid to go to government welfare organisations because they fear the break-up of their families," said spokesman Mrs Klemtjie Pereira, who alone operates Werk en Oorleef's office in the Wonderpark Shopping Centre.

This is why the organisation was so horrified when the Department of Health and Population Development decided to return R6 million of the R10 million it was allocated last year to feed destitute families.

To this organisation the word "strike" has a very positive connotation — it means, at least, a few part-time jobs for a few desperate people.

The Department of National Health and Population Development supplies the organisation with stocks of sorghum rice and flour, soup powder, sugar, mealie meal and milk powder.

Werk en Oorleef is, through donations by private persons and companies, able to add tomatoes, carrots, squashes, bread sometimes and, after the Easter weekend, chocolate Easter bunnies to the diet.

Wherever it can, it also provides blankets, second-hand clothing and shoes.

Churches seem unwilling to bear their part of the burden. According to spokesman Mr Daan Smith, the clergy has been invited to special meetings twice. No parson, minister, priest or pastor turned up.

But sometimes help comes from unexpected places. Recently the headmaster of the school in Viyo, a town in the Pietersburg area, offered to provide any child sent to attend the school with free board.

# SA exploits Namibia, says Oxfam

(202) STAKE  
19/5/86

LONDON — South Africa's rule over Namibia has caused widespread poverty and deprivation even though the territory is among the richest in Africa, the British charity, Oxfam, said today.

Oxfam, a major Third World relief agency, said Namibia's gross national product of R2 518 a head in 1983 made it one of the wealthiest areas in the continent.

But only 22 percent was left for black people who formed 94,5 percent of the population, Oxfam said in a report which urged Britain and other European Community countries to press ahead with negotiations on independence for Namibia.

The South African Government's rule in the territory was declared illegal by the United Nations in 1966.

"There is an urgent need to transform the structures which cause and perpetuate

poverty for the majority," the report said. "But these structural changes can begin only after independence"

It added: "Namibia's people have been endlessly exploited in the interests of the prosperous colonial economy"

"The comprehensive nature of colonial social engineering has affected every important aspect of daily life for blacks"

The principal way in which South African authorities had controlled blacks was by dividing them into "ethnic groups" and forcing them off their land into labour reserves, the report said

"When we lost our land, we lost our rights, our family way of life, our independence and our culture," was how a black woman farmer described her family's dispossession.

In northern Namibia, 99 percent of black

wage-earners lived below a subsistence level calculated by independent experts, the report said

It added that, while the mortality rate for white infants was comparable to the world's most developed nations, a black baby was more than seven times more likely to die in infancy than a white one

In the black and coloured townships around the capital, Windhoek, 50 percent of adults were alcoholics, the report said

"People turn to drink because they are anxious and there's nothing for them to hope for," Oxfam quoted a social worker in the black township of Katatura as saying.

"Tombo houses (bars) are open from dawn until late at night serving strong, home-brewed beer. It costs only 10 c for a half litre, so it is one of the few things the poor can afford." — Sapa-Reuters.

Parys, Phalaborwa, Port Shepstone, Queenstown, Standerton,  
Tzaneen, Upington, Vredendal, Vryheid, and Zeerust;

## Footnotes

1. Sunday Work - Shift workers rate for Sunday work is 1.33

# Grim death warning on disinvestment

Dispatch Reporter

**EAST LONDON —** As many as 400 000 children's lives could be lost should the disinvestment drive against South Africa succeed, the regional director of Operation Hunger here, Mrs Roselle Frasca, said yesterday.

In a press statement on disinvestment, Mrs Frasca said that while Operation Hunger supported the urgency for the abolition of apartheid and its structures, it had to be stressed that the country would face an even bleaker hunger scenario if there was disinvestment

"Thousands of children will die from starvation due to thousands being unemployed," she said

Operation Hunger was at present feeding almost one million people on a daily basis throughout the country, she said, and as the recession showed no signs of abating their commitment to alleviate hunger deepened

As many as 120 000 jobs would be lost if the United States pulled out of South Africa, according to a national assessment by Operation Hun-

ger of what the country would face should disinvestment become a reality

The assessment proved that of these, 100 000 were black workers with nine dependants, while 20 000 were white with four dependants

She said that at present black workers were categorised as migrant workers from the rural areas

"Operation Hunger would like to dispel any misconceptions that may be understood abroad that blacks can become subsistence farmers

"This understanding is totally unfounded as approximately eight per cent of the black rural population have enough land to utilize for subsistence farming"

The death rate of black children under the age of five was 50 000

a year in South Africa, Mrs Frasca said

It was estimated that if disinvestment was implemented as a means to an end, the death rate would double

"Therefore, by the very nature of our work, Operation Hunger cannot condone the human misery and ongoing suffering that is inevitable should foreign investors leave

"With regard to this we would like to suggest that an unbiased opinion poll be taken in Southern Africa without fear of retribution in order to establish whether there is agreement or disagreement with foreign disinvestment"

Mrs Frasca added that two large opinion polls conducted by the New York Times and CBS in the United States during the latter part of 1985 had indicated increas-



MRS FRASCA

ing support for US disinvestment

"An opinion poll to establish what US citizens believe will become of the black majority in Southern Africa, after disinvestment, would be enlightening," she said

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# Poverty blamed on job slump

GERALD REILLY

A UNISA Bureau of Market Research survey, released at the weekend, blames growing unemployment, rather than low wages, for the impoverishment of a section of the black population.

The survey of black income and expenditure patterns in Pretoria found black employees earned 13% more on average in 1985 than in 1980. In 1975 two-thirds of the 20-60 age-group were in employment compared with less than half in 1985.

Unemployment was aggravated by the ageing population, it said. Whereas in 1970 only 39% of household members were potentially economically active, this figure had risen to 50% in 1985.

Food purchases accounted for 34% of cash expenditure of black households in 1985. Black households had grown in size from 5,7 people on average in 1970 to 6,2 in 1985. The reason was seen to be the shortage of housing.

In 1985, the percentage of people with Standard 9 or 10 qualifications stood at 12%. It was only 2% in 1970.

The average real income of black households rose by 18% from 1980 to 1985, reaching R9 359 in 1985. Salaries and wages made up 77% of total income, while profit from "own" business and the informal sector 13%.

Male employees earned R5 650 on average in 1985. Larger incomes did not, however, signify an overall improvement in the welfare of all Pretoria's blacks, according to the survey.

The percentage of households earning less than their minimum living level rose from 23% in 1980 to 26% in 1985. The larger families were hardest hit, with an estimated one-third of the households with more than seven members living below the minimum living level.

# Thumbs up for African aid plan

The Star's Foreign  
News Service

NEW YORK — African nations managed to cross a "critical bridge" by working out a major five-year programme for recovery of this devastated continent

This was the view of a top American aid official as the United Nations General Assembly managed to reach agreement after a six-day session which included hard-bargaining, often into the early hours of the morning.

Mr Peter McPherson, administrator of the American Agency for International Development, said the fact that Africans had "taken responsibility for their own destinies" and then asked for international support was "one of the healthiest, most powerful things that has come out of international discussions on development matters for some time"

By consensus, the assembly agreed on a 22-page document designed to help African countries implement a plan of action adopted last year by the Organisation of African Unity

## PARTNERSHIP

It sets Africa's first priority as increased food production and puts the cost of the entire plan at \$128 000 million over a five-year period — less than asked for.

The document commits the UN to a "spirit of genuine and equal partnership" to revive the African economy

Final agreement of the document was delayed by the British and French delegations which insisted Soviet references to blaming Africa's problems on colonial legacies be deleted.

In the end a compromise was reached.

From the outset, Western nations made it clear they did not regard the session as a pledging conference.

What was important, said diplomats, was that the international community commit itself to making every effort to provide the funds and supplement Africa's efforts

## ANSWERED

Senegal's Foreign Minister, Mr Ibrahim Fall, a spokesman for the African group and a major personality throughout the negotiations, said shortly before the plan was adopted: "I can say the international community has answered massively the call launched on behalf of the African continent ... Given it is the first time such a session is being held in the UN, We can consider it is a success."

Mr Fall said it was a success on two fronts — recovering co-operation between the developed and developing countries and recovering co-operation among developing countries.

According to Mr McPherson, Africa still faces "a real struggle for the next several years," but he stressed there was no reason African nations could not enjoy the same turnaround as had Asian nations, particularly India.

# Communities the key in war on starvation

By KIN BENTLEY

COMMUNITY involvement is the key to lasting success in the battle against malnutrition.

This is the view of the regional director of Operation Hunger in the Eastern Cape, Mrs Roselle Frasca.

At present a massive campaign here is keeping 30 000 starving people fed.

Unemployment in the area is more than 50% and negligible assistance is coming from the State in the form of social security

Charities, churches and private organisations like Operation Hunger are trying to keep people fed until the long-awaited economic revival comes

Mrs Frasca toured PE two weeks ago and intends returning shortly to assist in bolstering this effort.

The organisation has appointed a regional representative in PE, Mrs Molly Nicholson.

Last year Operation Hunger budgeted almost R500 000 for the PE-Uitenhage area, but no charity applied for aid so the money was used elsewhere

In February the PE Black Civic Organisation (Pebco) pledged to provide the infrastructure necessary to set up soup kitchens

They are being assisted by local Black Sash workers. A pilot scheme to establish a community-based soup kitchen at the severely depressed TB Huis area in Red Location is progressing well.

It is hoped a permanent kitchen will provide 1 000 servings of soup a day, seven days a week. Needed too is a place near Red Location to store soup powder



Mrs R FRASCA

The soup kitchen convenor, Mrs Lesley Greensmith, said TB Huis was a pilot scheme to get the poverty stricken people to help themselves.

Knitting was another project and it was planned to teach people to grow vegetables in allotment gardens to subsidise their diet

Mrs Greensmith said there had been a good response to their call for donations, including one from the Australian Embassy and an offer from a Schauderville butcher of 200kg of bones a week

Funds were needed. Children in particular needed wholewheat bread and peanut butter with their soup. Other requirements were pots and empty gas cylinders for cooking. Mrs Greensmith can be contacted at 511258

Helping co-ordinate the soup kitchens is Mrs Buyiswa Fazzie, wife of the Eastern Cape vice-president of the UDF, Mr Henry Fazzie

She said the committee wanted to get TB Huis working properly before it concentrated on other areas. TB Huis, she said, was "the worst area" in the townships. Most of the people were unemployed, ill and malnourished.

"The most important people to get soup to are the children. We try to look after them especially," she said.

A jumble sale would be held soon.

"We want to get the TB Huis people involved in the project. They also attend the meetings," she said.

Mrs Frasca said Operation Hunger got involved in PE about three months ago. Up until then church organisations and local charity organisations had struggled to cope with an ever increasing number of destitute

Although food from the organisation was now reaching about 32 000 people in the area, she didn't believe the distribution system was ideal.

The aim is eventually to have "large-scale community based, self-help soup kitchens, where once a day hungry people can receive a nourishing meal."

Expanding on the need to involve community organisations, she said as a "grassroots" organisation Operation Hunger aimed to help people establish soup kitchens "where the disaster is".

Food parcels were more costly than direct feeding from soup kitchens.

Another drawback of food parcels was that as soon as they were handed over, Operation Hunger

lost control of the food and could not be sure it was "doing the job it was intended to do". For instance, she said, children who needed the food most might not be getting sufficient, or the food might even be sold.

Asked if people who could afford to buy food would not exploit the kitchens, she said, "People do not come to a soup kitchen if they are not hungry."

While what was offered was highly nutritional, it was unlikely people who could afford to eat at home would eat it.

By involving the people themselves in the kitchens, she added, the demeaning act of receiving a food parcel could be obviated.

Sketching the enormity of the poverty problem

Mrs Frasca said that even if the unemployment rate in PE was put at a conservative estimate of 50%, it had to be remembered that for every person unemployed there were an average of nine dependents.

The situation was "frightening".

The recession in PE had worsened the plight of towns such as Graaff Reinet as people left the city to rejoin their families there.

PE itself she viewed as a "disaster situation". The organisation wasn't active in Uitenhage yet.

She said Operation Hunger was feeding a total of about 130 000 people in the Eastern Province, Border, Ciskei and Transkei.

"But we are definitely

not reaching them all and right now we don't have the funds to do so.

However, she said, the response to calls for funds had been "quite incredible".

"There is a lot of concern and interest from the people of PE for which we are very grateful."

Mrs Frasca said they were currently spending about R1 million a month nationwide in feeding unemployed people and had budgeted for a food bill this year of R11 million.

It was funded purely by donations from individuals and big business. They were now also looking overseas for assistance.

She felt that hunger should be tackled on a national scale by the Government.

25/6/86 S 10R (242)

# Africa: A continent in need of a square meal

The Star's Africa News Service

NAIROBI — Half a million Angolans have fled their farms driven off by the civil war

Because of this and the fact that the country's tottering transport system has been hit hard by Jonas Savimbi's Unita forces the United Nations Food and Agriculture Organisation has concluded in a special report on Africa's famine that the Angolan food supply situation is critical

Fighting between the government and the Unita rebel force has made it extremely difficult to get seeds tools and fertilizer to those who have stayed on the land

The report says that Angola will probably need 150 000 tons

of emergency food aid this year Buried in the report's reams is the fact that the United States has supplied only 18 600 tons of emergency aid, compared to 37 000 tons sent by the European Economic Community

This makes Angola one of the only African states where the Americans are not the leading donors On the other hand, it is not known how much food aid the Angolan government receives from the Soviet Union

## OFF THE LAND

The fight in Mozambique which pits the government against the Mozambique National Resistance (MNR), as in Angola, has driven farmers from the land and disrupted transport networks, though the FAO report also cites the deficiencies of Mozambique's state agricul-

tural commission

While the food situation is not as desperate as in Angola Mozambique will need more than half a million tons in exceptional food aid this year

Botswana which was on the edge of becoming one of Africa's brightest success stories is losing huge numbers of its chief product cattle

The national herd is down to two million from its 1982 level of three million The drought has lasted five years and the country has only 10 percent of its water needs

To cover the shortfall Botswana will buy about 130 000 tons on the international market

In the rest of Africa, including Ethiopia and Sudan, last year's famine is easing, but six countries do face exceptional food

emergencies They are Cape Verde Ethiopia, Sudan and South Africa's three neighbors

Sudan, which has received little news coverage, is in the most desperate straits At least three million people face starvation in south Sudan, again, because of a civil war

Food is available In fact, the FAO report says Sudan has a surplus of some 1,1 million tons of sorghum Money to buy the food and money to transport the food are what is needed

And Sudan's case is typical Twelve African countries possess a surplus of 2,1 million tons — half of which is in Sudan To get the food where it is needed, the UN urges the use of local purchasing and triangular purchases

Both these call for donors to contribute cash, not material And donors are understandably reluctant to give cash for the simple reason that they cannot control its use very closely

## LOCUSTS

A painful irony for Africa after these last two years of famine is that the long drought, coupled with this year's excellent rains, are perfect conditions for huge clouds of locusts and grasshoppers.

The UN says emergency programmes to eradicate these pests need to be watched closely in the next few weeks There have been several locust scares here in East Africa over the last two months

So far, the problem is under control In the passage most likely to be passed over by donors, the report calls for creating or improving economic and agricultural warning systems in Africa to avert scenes reminiscent of the last year

Some of the programmes already designed by the Food and Agriculture Organization cannot begin as they have received no money from the donor countries

## Enviro '86 off to good start

By James Clarke

Enviro, the annual environment competition for South African high schools, has this year attracted entries from a wide range of high schools, including Afrikaans, English, black and Indian

For the first time a Bophuthatswana school has entered

Enviro annually sets out to find school environmental projects worthy of note The school teams offering the most promising projects are invited to deliver papers later in the year

The winners of Enviro 86 will then be invited to read them at the national environmental symposium for youth at Golden Gate — an event founded by The Star's CARE campaign 11 years ago

The SA Eagle Insurance Company sponsors the competition Enquiries Mrs Pearson 782 4723 Address for entries Enviro, Box 31201, Braamfontein 2017

## School not involved in teargas drama

King David School, Johannesburg, was not involved in an incident in which two people were teargassed near the school

A report in The Star on June 19 described how an unidentified man sprayed teargas into the face of Mrs Ethna Murphy, of Linksfield, as she stood talking to Mr Wilson Mlambo in Trengoning Street

Mrs Murphy had seen security

action in the vicinity of King David School

A spokesman for the SA Board of Jewish Education has asked The Star to point out that no school employee, or person connected with the school, was in any way responsible for the reported incident

He said the school did not "engage in any plain clothes security activity"



Pages

# Border facing hunger crisis says Frasca

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## Dispatch Reporter

EAST LONDON — Over 66 000 children in the Border area face hunger each day in spite of efforts by welfare organisations to alleviate the continually increasing problem

The regional director of Operation Hunger, Mrs Roselle Frasca, said this figure was based on applications received requesting aid for food. There were more requests from the rural areas but funds were not available to respond to them, she said

"We are already feeding 150 000 children daily in Border, Transkei and Ciskei and approximately 30 000 adults, mainly elderly people"

She said the Eastern Cape and the Northern Transvaal were among the two worst hit areas in the country affected by hunger, aggravated by drought and the recession

The chairman of Hungerrelief, Mr

Gordon Stanford, said a crisis situation was approaching as a result of increasing unemployment

He said his organisation, which gave food parcels weekly to 125 families in East London and Mdantsane, acted as a bridging aid for those people who were trying to help themselves

The Border regional director of the Red Cross, Mr A H Johnson, said he did not believe there was a hunger crisis in the Border.

He said his organisation did not get involved in general feeding schemes but was involved with disaster and crisis situations such as Crossroads in Cape Town

He said about 150 people, mainly children, were fed on a weekly basis but the numbers were restricted depending on the funds available.



For the first time since the 1930s, white children are lining up at soup kitchens for free meals in working-class suburbs of big cities

Resentful and increasingly insecure, the ranks of South Africa's poor and unemployed whites are swelling as political uncertainty and threats of economic sanctions batter the economy

"We've always had some whites with financial problems. But it is only now that it is becoming very bad," said the Rev Leon de Koker, a minister of the Dutch Reformed Church

Mr De Koker started a soup kitchen 15 months ago in Johannesburg's Jan Hofmeyr suburb, a bleak district of public housing for whites

The children in the bread lines are the offspring of parents who are semi-skilled or without skills. Such families are vulnerable not only to the fierce recession but also to the crumbling of apartheid laws and practices that for decades kept blacks out of jobs reserved for whites

"We have had children who were fainting at school because of lack of nourishment. There is awful poverty, real need," Mr De Koker said

The Department of Manpower said white unemployment is rising, but still only 2 per cent — a figure regarded by analysts as almost as inaccurate as the official estimate of 8.4 per cent black unemployment

Sanlam said in its latest economic review that at least 18 per cent of urban blacks were jobless. University of Stellenbosch researchers estimate white unemployment now running at 6 per cent, with 188 000 urban whites now looking for work, compared with 105 000 a year ago

Poverty among whites

# Children drawn to the soup kitchens

From MAUREEN JOHNSON in Johannesburg



does not compare to the plight of millions of blacks in segregated urban ghettos and tribal homelands

But white poverty is real, growing and helping fuel support for the ultra-right Afrikaner Weerstandsbeweging. The movement's supporters have broken up four meetings of the National Party, saying it is caving in to black demands

Mr De Koker's soup

kitchen, which survives on food donated by store owners and cash gifts of R1 500 a month, started with about 100 primary and high school children coming every lunchtime

There are now 211 — mainly children from families drawing unemployment insurance fund grants of R164 a month for adults and R49 for each child. After six months, even this stops unless recipients

can prove weekly they are trying to find work

Mrs Johanna Swanepoel, a warm, matronly janitor's wife known in Jan Hofmeyr as "Tan nie Swanny" organises the soup kitchen and is its tireless fund raiser

During current strikes by blacks at dairies and retail outlets to protest at the detentions of union leaders under the state of emergency, Mrs Swanepoel packed unemployed whites into

her car to do the blacks' jobs on occasional shifts

She complained managers paid the men R20 for a seven-hour shift instead of a promised R30. "They treated them worse than blacks"

Mrs Swanepoel, a supporter of the AWB, blamed the present troubles partly on a government "that has let the blacks get out of hand"

"The more you give them, the more they burn," Mrs Swanepoel said of 22 months of anti-apartheid unrest

But among many whites battling to get by, politics appears to be a less consuming issue than for wealthy white liberals, with their dinner party debates, or seething youth in the black townships

In the Barnard family — nine people spanning three generations living in a sparsely furnished three bedroom house — political questions draw little response

Mr Frederick Barnard, 33, last worked when he had a three-month stint this year painting street lamps and weeding Johannesburg city parks under a state funded job programme

The government allocated R600 million for a nationwide job programme this year — open to all races. The pay is R15 a day

The Barnards don't have a black servant. But some other poor whites do — living in shared economic degradation, with the social divisions dictated by race still firmly intact

Mrs Magdalena Lombard's 54-year-old husband, a former miner, and their son, a house painter with a matric, are out of work and have been rejected by the welfare department for benefits. The family income is a R180 disability pension she receives because she suffers chronic emphysema

Out back in the tiny yard, living in a storage shed, is a black domestic servant and her two children

"I need the native girl. I don't pay her anything, but I would if I could," Mrs Lombard said. "She's prepared to work just for the room. She gets porridge and other food from her church — if I haven't got anything, she shares it with me" — Sapa AP

# Overseas help for hungry in Port Elizabeth

w/e post  
19/7/86  
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By CATHY SCHNELL

MALNUTRITION in Port Elizabeth has reached such alarming proportions that Operation Hunger has had to resort to raising funds for the city overseas

It is feeding 32 500 hungry people in PE — a figure they realise is only a fraction of the total number of malnourished people

Mrs Roselle Frasca, Eastern Cape regional director of Operation Hunger, said the organisation would open an office in PE "in the very near future"

The organisation has two other offices — in Johannesburg and in East London

Mrs Frasca has been serving the region, including Transkei and Ciskei, from the East London office

But malnutrition has increased so much in PE that a separate office for the city is now needed

She said that Mrs I Perlman, director of Operation Hunger in South Africa, had just returned from an overseas fund-raising trip, specifically to raise money for PE

"I compiled a docket comprising newspaper cuttings on the conditions in PE, which Mrs Perlman took overseas with her. She told me people there were horrified at the severity of the problem in PE"

Mrs Frasca believes that once Operation Hunger opens an office in PE, soup kitchens will be established in the townships

She said until now the unrest had prevented Operation Hunger from establishing feeding schemes at community level — both soup kitchens and feeding schemes at schools and creches

Operation Hunger had been forced to opt for handing out food parcels instead — a relief measure which did not serve as many people as a soup kitchen could

Community involvement — such as township women preparing and serving soup in the soup kitchens — contributed to a feeling of dignity and led to the emergence of valuable self-help schemes

"But once the office opens in PE, we will be able to liaise more closely with Pebco and other groups and be able to work in the townships — instead of only on the fringes of the township or from white areas"

Loaves and Fishes distributes food parcels, given to them by Operation Hunger, to about 300 needy people twice a week

But, because of the unrest in the townships, distribution takes place from the St John's Methodist Church in Havenlock Street

The Rev Mike Crockett says many hungry people have to be turned away because there are not enough food parcels to go round

Mrs Frasca said the organisation fed 600 000 people every day in the country. Worst hit areas were the Eastern Cape and the Northern Transvaal

"We can only spend R700 000 a month on food in the country — a figure that is hopelessly inadequate. Never in the six years of our existence have we been so short of funds"

Malnutrition in the rural areas was an increasing problem

"We try mostly to feed the children and the old people, both of whom are particularly vulnerable," Mrs Frasca said

"Babies who are malnourished can grow up physically and mentally retarded. There is nothing as sad as a little kwashiorkor baby with spindly limbs, sobbing from hunger"

# Soup kitchens a top priority

**Post Reporter**  
ESTABLISHING soup kitchens in the coloured and African townships was the top priority for the newly founded PE branch of Operation Hunger, the local organiser, Mrs Glynis Baer, said today.

The PE office was opened last week to cope with the increasing demand of malnourished people here.

Mrs Baer has been appointed local organiser. She runs the office from her home and is looking

for a supplies warehouse. She said the establishment of soup kitchens would enable the organisation to feed far more than the 32 500 people now being fed.

There were more than double that number on a waiting list.

At present the unrest in the African townships had prevented soup kitchens from being established there.

But Mrs Baer hoped to overcome this problem by liaising with black civic organisations. She said

she would welcome approaches by them.

Mrs Baer can be contacted at 391566 during office hours.

● Currently many welfare groups are trying to alleviate poverty.

They include the PE School Feeding Scheme, World Vision, many churches and the Community Chest which helps many organisations, including the Walmer township soup kitchen, the Redhouse Benevolent Society and the ACVV.

29/09/86

# R1 000 gift for Operation Hunger

Dispatch Reporter

EAST LONDON — An anonymous donation of R1 000 to Operation Hunger was described as a "wonderful gesture" by the regional director of the organisation, Mrs Roselle Frasca.

"My reaction was one of incredible amazement and gratitude as Operation Hunger is facing a major hunger crisis countrywide, and especially in this region," she said.

The donation was handed in at the organisation's offices in East London.

"It is well-known that Operation Hunger is staving off an Ethiopian situation here and there is a dire need for funds from those in the community who can afford two meals a day to help those who are desperate."

Mrs Frasca said Operation Hunger was committed to feeding at least 13 000 people — 11 000 of them children — in the Border area alone. This cost the organisation an average of R22 000 a month.

In Transkei, over 96 000 children and old people were helped by Operation Hunger each month on a budget which Mrs Frasca described as "frightening".

"We have an outstanding list of over 40 000 children in this area we still need to help and this covers only a quarter of the whole of Transkei," she said.

"This is only the beginning. At present we have no feeding schemes operating in that area. Once we start, that figure will treble as we know that the average hunger statistic in the area is 80 per cent."

Operation Hunger's feeding schemes in Ciskei had a budget of approximately R38 000 a month, she added.

"Our feeding schemes concentrate on children and the old on children because of the future consequences of malnutrition and on the aged because they are so vulnerable to their circumstances. Our schemes are community-based, with the mothers of the area running them. It usually ends up a village project and leads to other forms of self-help programmes."

The organisation's funding was done on a national basis but with regional support.

"The support we receive in the East London area is very good and donations average at least R2 000 a month," Mrs Frasca said.

6/8/86 DD (242)

# Rush to raise R3,5m for hunger

Dispatch Reporter

EAST LONDON — The R3,5 million which the nationwide Operation Hunger gold rush competition is expected to raise will be channelled into a central kitty in Johannesburg, the regional director of Operation Hunger, Mrs Roselle Frasca said yesterday

She said no preference would be given to the Border region which included Ciskei and Transkei where Operation Hunger feeds 130 000 at the cost of six cents a day each (R7 800) or R172 000 a month

At present, 66 000 new applicants are waiting to be helped, Mrs Frasca

added.

The fund-raising competition will offer the biggest cash prize in South African history — R1 million

The competition, which was launched yesterday, will climax in a spectacular finale at the Turffontein Racecourse on November 29 when 20 "diggers" representing the 20 competition finalists will "rush" to determine the winner of the grand prize

Tickets for the competition will be on sale soon at outlets throughout the country and a team of hundreds of helpers will sell door-to-door. Tickets will also be on sale abroad and in September, a major

radio phone-in is expected to sell thousands more.

The highlight of the November 29 finale at Turffontein will be a race meeting, planned as a gala affair, with the centre of the racecourse transformed into a pioneer tent town and with more than 100 veteran and classic cars on display

Race-goers have been asked to wear period costume for the day and prizes will be presented to the best dressed

"Operation Hunger currently feeds close on a million people every day and is desperately short of finance," says its director, Mrs Ina Perlman

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**BUSINESS**

# BER: living standard will drop

CAPE TOWN — The standard of living of all South Africans is set to drop further according to the latest review on economic prospects by Stellenbosch University's Bureau for Economic Research

While the overall picture for 1987 looked "more balanced" than it had in previous years and there was a prospect of more job opportunities, total unemployment was expected to continue increasing

"The balance of payments restraint, together with a still uneasy political environment and a hostile outside world will ensure that the living standards of all South Africans will deteriorate further," the bureau said

"Once the majority of South Africans realise that they might become better motivated to put in an additional effort to help build the new future of this country"

The gold price was ex-

pected to continue its rise to average out at \$440 an ounce compared with \$370 this year. Oil was likely to increase in price marginally from \$14 a barrel to \$15 next year. As had happened in the past, it appeared likely that gold would come to the rescue of the economy, increasing gold mining company profits and direct tax to the government

On the subject of fiscal policy the bureau said the assumptions of increased government spending — particularly in the black townships — together with a halt in borrowing overseas and a limited capacity to borrow on the domestic market left little leeway for tax relief

During the forecast period to the end of 1987, it was likely that taxes would remain "relatively high" and that inflation would probably not receive much attention. Domestic spending would be manipulated by means

of interest rates, implying that rates — especially in the short term — would fluctuate continuously

It was forecast that the Reserve Bank would try to hold the rand-dollar exchange rate at between 40 and 45 US cents to the rand

However, it was assumed that on average the rand would depreciate against the dollar during 1987

Based on these and other assumptions, there was unlikely to be a sharp upturn in the general economy during the forecast period

On the positive side the outlook for corporate profits next year appeared to be "much better," with the building, manufacturing, commercial and agricultural sectors experiencing a livelier tempo of activity. Profits were expected to improve in many cases substantially

There would be a fur-

ther fall in real per capita incomes, inferring that "a process of impoverishment which commenced a few years ago is likely to be continued throughout the forecast period," though at a slower tempo

After tax, personal disposal income was expected to grow by 16,4 per cent next year compared with an estimated increase of 14,9 per cent this year. Measured against inflation the figure for 1987 is projected as being an increase of 0,8 per cent

"The growth potential in private consumer spending is not very promising for the year 1987," the bureau says

Personal income tax was expected to rise to 12 per cent of current income from 11,7 per cent this year

The prime interest rate was likely to drop from an average 14,5 per cent this year to about 13 per cent next year, but the long-term real

rate could be positive at the end of 1987

Although the weak rand in particular was blamed by the bureau for the continued high rate of inflation, the "relatively high" level of the rand at present should lead to a lower rate of inflation next year

The forecast for inflation during 1987 was a 15,5 per cent increase in the consumer price index

The bureau's analysis of the financial sector concluded that monetary policy would remain relaxed throughout the forecast period and money supply growth would remain below the upper target limit "with limited intervention by the monetary authorities"

Interest rates would increase from the second quarter next year, but the years' average would be lower than the average for 1986 — Sapa

# SA subsistence level has risen by only 10pc

28/11/86 242  
STMR

The household subsistence level for South African blacks increased by only 10 percent during the past year, a survey by the Institute for Planning Research at the University of Port Elizabeth shows.

The increase is "appreciably lower than expected" when compared to the Consumer Price Index (CPI) of 18,7 percent for all groups in urban centres.

"The increase for coloureds and blacks during the past six months is well below the official CPI increase of seven percent for the lower income groups for the same period"

It estimates that the average household subsistence level for a black household in the five major urban centres — Johannesburg, Pretoria, Cape Town, Durban, Bloemfontein and Port Elizabeth — is expected to reach R491,88 by September 1989.

Over the six-month period from April to September this year, the highest percentage increases were shown by Bloemfontein (7,9 percent), Boksburg (7,8 percent), Benoni (3,7 percent); and "a very high 12,4 percent for kwaThema, Springs", the report said.

# R700m to build black township near Welkom

A GIANT R700m black township development for the Free State was announced in Johannesburg yesterday.

The development, comprising 33 000 homes, will take five years and will be funded by the private sector. Bordering on Thabong township near Welkom, the town will have homes ranging in price from sub-economic to R50 000. The new development is expected to swell Thabong's population to

more than 250 000.

A spokesman for Time Housing, one of the organisations appointed to develop the town, said construction would start before the year-end.

"The town, to be managed by the Thabong Town Council, will be a trend-setter in town planning for black residential areas."

He said other developers included I.T.A. Murray & Roberts, Bester Brothers and S.M. Goldstein

## MICK COLLINS

Time Holdings is to be listed on the Johannesburg Stock Exchange (JSE) today. Earnings for the group, of which Time Housing is a listing prospectus to be R2,71m for 1987 and R4,2m for 1988. Time chairman Colin Hibbert said forecast earnings did not take the deal into account. JSE assistant GM and head of the

listings department Douglas Gaur told *Business Day* the company had satisfied the JSE that the deal was in the ordinary course of business.

"Time is one of 10 developers selected. It will get only a proportion of the overall contract."

Time Housing MD Mike Graham said, "Town planners are already working with an overall master plan and we hope to start building by the end of the year. We will also be involved in the development of

infrastructural services and town planning."

He said a large proportion of homeowners would be underwritten by employers and bonds would be arranged through building societies. Time, he said, would be arranging finance for prospective buyers and also marketing homes.

Thabong town clerk James Ngake said "We are planning a new town from scratch incorporating all these facilities for the local

inhabitants."

He said it was expected that 16 000 homes would be earmarked for occupation by local Gencor and Anglo American mine employees. "A recent survey commissioned by Anglo American and undertaken by Market Research Africa highlighted a critical shortage of housing in the area. It is estimated that at present an average of 17 people are crowded into every home in Thabong."

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economic activity in the homelands for them to support their large numbers. Government's industrial decentralisation programme has failed to create workable growth points. Although many employers have availed themselves of the generous incentives offered, development has been uneven. Jobs have been created, but the simultaneous development of social amenities such as housing, transport, health and education has been neglected.

In addition, the cost effectiveness of the decentralisation programme has also been questioned, and the authorities have not been able to stem an endless stream of allegations of corruption. And when the Treasury can no longer bear the cost of subsidising decentralisation, all the jobs "created" will be lost — witness the eastern Cape and the motor industry.

With few exceptions, most rural families are dependent on money earned in the urban centres, although some are surviving on State pensions and various forms of assistance from aid agencies. Both Allwood and Operation Hunger executive director Ina Perlman say the recession and increasing urban unemployment have exacerbated rural poverty. Over the past 18 months both organisations have been forced to increase the amount of relief feeding they are doing to prevent massive starvation.

Despite influx control, sheer desperation has led to a drift to the cities: witness Crossroads in Cape Town and the growth of shanty towns on the KwaZulu/Durban border. But on the Reef, shortage of land for black settlement has inhibited a similar process. Instead, large numbers of PWV workers commute from massive slum settlements in Bophuthatswana and KwaNdebele — Winterveld and Kwaggafontein to name two.

The question is, will the abolition of influx control allow people to escape their impoverished conditions and cause a massive flood of people into the metropolitan centres? Neither Allwood nor Perlman believe it will. Based on reports from their field workers they say the feeling out in the rural areas is one of distrust and suspicion, with people waiting for government's hidden agenda to be revealed. "If it wasn't for this there would be a mass migration," says Allwood.

Despite the occasional rural development success story, Allwood remains pessimistic about the future of the homelands. "We can write these areas off until they have political legitimacy," he says. But as government has made it clear the homelands are still an integral component of the constitutional plans for a future SA, this is not likely in the near future.

Meanwhile, people working in rural areas tread a delicate political line and, for this reason, Operation Hunger works through community structures only. There is an obvious need for aid and development. But political sensitivities are such that organisations are sometimes accused of supporting the homeland system. Yet they feel they cannot ignore the issues while waiting for political

change. Says Allwood "The least we can do is put these rural towns on the map, upgrade settlements and create the necessary infrastructure."

many factors. "Betterment schemes" designed to maximise land use have meant that people who were once distributed over large areas have been crowded into small villages. And mass removals during the Sixties and Seventies have swelled the homeland population by 3m. Of course, this process happened without sufficient planning so the agglomerations lack basic urban infrastructure such as adequate roads, an energy supply, sanitation, rubbish removal and domestic water on tap.

So severe is the crowding that UCT's Urban Problem Research Unit estimates that approximately 60% of the homeland population would have to leave over the next 16 years if a meaningful agricultural policy is to work in these areas. "Today, less than 30% of people living in the homelands are involved in primary production," says John Allwood, executive director of World Vision of Southern Africa, which is currently sponsoring over 100 rural development projects. To add to the misery, there is not enough

### AFTER INFLUX CONTROL — 3

## Poverty back home

SA has produced the freak cities of the Third World. Compared to other places, they are clean and orderly without the favelas of Sao Paulo and the *cambicos* of Maputo — those sprawling shanty slums that cluster around cities of Africa, South America and Asia. But SA, like the rest of the Third World, has spawned slum settlements. Only, largely because of influx control, they have mushroomed in the homelands.

Townlike conditions have been created in the rural areas. This is a consequence of

# The virus behind the South African disease: poverty

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THE South African disease is endemic. Its symptoms are depression, anxiety and family mistrust, together with overcrowded hospitals and discriminatory health care.

This emerged at the Apartheid and Mental Health conference organised this month by the Organisation for Appropriate Social Services in South Africa (Oassa). Formed in 1983, Oassa is committed to "appropriate" social services which meet the needs of the country's population.

Speaking at the conference in Johannesburg, Cedric de Beer from the Wits University Department of Community Medicine used tuberculosis to illustrate that "injustice and exploitation are as important as germs in causing disease".

One hundred years ago TB was rare in South Africa, today it is the country's number one killer. De Beer described it as the disease of poverty *par excellence*, as it is possible to be infected with TB but not be ill unless the body is weakened through malnutrition, overcrowding, physical or emotional stress.

The factors that shaped the disease, according to De Beer, apply to the incidence of most diseases in this country. He identified these as colonialism, land dispossession, industrialisation, the migrant labour system, homeland conditions and the lack of political rights. "Poor whites" in the 1920s, he pointed out, exhibited very similar patterns of disease to blacks today.

Because health is moulded by social and political structures, "it is not enough to play with who can eat in what restaurant, the whole history has to be undone," De Beer said.

South African health services are "divisive, wasteful, inefficient and reinforce existing political structures" he said — and they clearly discriminate against blacks.

Hospitals are overcrowded, understaffed and underfinanced and hundreds of thousands of South Africans living in the bantustans are effectively out of reach of any health service at all. Nationally, there is about one doctor to every 2 000 people — but looked at regionally, this means one doctor for every 400-500 people in the metropolitan areas, while in some of the more neglected homeland areas, an optimistic estimate would be one doctor for every 10 000-20 000 people. The (white) Johannesburg hospital spent R185 per patient per day in 1983/4. Coronation Hospital (coloured) spent about R64 per day. And in 1982, Tintswalo hospital in Gazankulu had R12,50 per day to spend on each patient.

The racial and ethnic carving of health services in South Africa means each homeland has its own department of health, minister of health, its own bureaucracy, nursing association and policies. If a patient lives in one homeland but goes to a clinic in

**Injustice and deprivation cause as much illness as any virus, a medical conference was told this month RUTH BECKER reports**

another homeland because it's closer, follow-up visits from the clinic require a "foreign" government's permission.

De Beer recounted the story of Shiluvane hospital, on the border of Lebowa and Gazankulu, to illustrate the point. In 1976 the SA government gave the hospital to Lebowa to administer temporarily. Five years later the hospital was taken away from Lebowa and handed to Gazankulu. One Friday the Gazankulu health authorities arrived to take control. The following week, the Lebowa government withdrew all Pedi speaking staff. Pedi speaking patients were loaded into ambulances, along with their files and their drips, and taken to other hospitals in Lebowa. Thirty patients and 24 staff members (out of 38) were moved.

A cure for the national disease lies with more than increased research, improved therapeutic practice and better drugs, said Oassa chairperson Lloyd Vogelman. The science of mental health doesn't explain the large incidence of retarded development among African, coloured and Indian children. For an explanation of that malady, one must look at the causes of malnutrition and kwashiorkor, the high rate of alcohol abuse among Africans and coloureds, and South Africa's high suicide rate.

At one centre in Soweto the majority of children referred for psychiatry were under 10 years old. Information on their family histories was often sketchy and family ties were generally loose. Alcohol abuse was common and fathers were frequently uninvolved, but wanted to retain authority. Indications from the centre showed assumptions that black children are still brought up adequately in the extended family, that child abuse doesn't occur and that depression doesn't exist in black communities is mythical.

"It's difficult to say whether we still have families in South Africa," said Susan Shabangu, a trade union organiser who related her experience of family life in Soweto.

"We look upon our fathers as the providers in our families. Due to the economic situation it becomes difficult for them to provide. Fathers lose their image and the children lose respect. Most men resort to drinking. Women live a stressful life, being mothers and workers and trying to satisfy the bosses and their children. A cleaner will get up at four in the morning and get home at six in the evening. Then she's supposed to cook and start cleaning the house and at the same time the children are looking forward to a mother's warmth.

"But there's no time to spend



Drawing CARL BECKER

together. For most mothers it becomes difficult to discuss with their children what's affecting them. Everyone lives their own life. Families are being destroyed and no longer trust each other — the father, mother and children can't relate to each other."

Accounts from psychiatrists at the conference showed township unrest is resulting in severe depression and psychoses which are exacerbated by the economic climate and high unemployment.

Health services in Soweto are relatively "ahead" of other townships, according to Liz Floyd from the National Medical and Dental Association, but psychiatric diagnosis is neglected.

According to Floyd, a disturbed person "who has a problem to the extent that it becomes a social problem" would be admitted to a medical ward at Baragwanath, which has no psychiatric ward, treated, returned home and referred to a clinic for ongoing medication. If uncured the patient is admitted to Sterkfontein mental hospital.

But services catering for ongoing problems, such as wife battery, are almost non-existent.

"A battered woman normally makes two stops — one at the police station and at the clinic. Doctors will see a woman on a Monday with facial injuries and won't even ask her about it — they just treat it. I would say 80 percent of the men are drunk at the time (of the assault) and it is often related to unemployment. The main response from the woman is to hide the injury — get a bit of medical treatment and stay indoors."

Floyd surveyed patients she saw at clinics to establish how many complaints were purely physical. The common disorders were hypochondriacal and social problems. Anxiety, depression, tension headache, alcohol problems and retardation were also common.

Most of the patients were women between 20-30 years of age, a number of whom had previous visits for the same problem. Few patients presented with overt psychiatric symptoms and many were epileptics coming for treatment.

2/3/86  
WEEKLY M.

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# Taking subsidies from the mouths of the poor

**MORE** widespread hunger, malnutrition and starvation will follow the government's cut-back of R170-million in subsidies on basic foods.

The government has announced it will remove R50-million from the bread subsidy and, it appears, wipe out R130-million from the maize subsidy.

Exaggerating the problem, the government has claimed it cannot find enough needy families to qualify for its food aid programmes and has taken back into the ailing treasury more than R6-million which had been earmarked for the country's destitute.

These moves can only lead to more widespread hunger and starvation among the poor.

Conservative estimates of two years ago claimed that about three million people were malnourished. But since then the cost of living has increased phenomenally and unemployment has risen drastically.

World Vision director David Cuthbert says he believes about six million people are in need of basic assistance for food, clothes and shelter. Other studies show that between 21 percent and 30 percent of the country's potential black workforce is under-employed or unemployed.

The subsidies on bread and maize directly help poorer consumers to buy basic foods and there is a direct correlation between the size of the subsidy on bread and its consumption.

Both bread and maize prices are expected to increase soon. The Maize Board is currently discussing price increases and a bread price increase is said to be imminent.

The vast majority of South Africa's needy eat maize as a staple diet. Bread is generally eaten a rung up the economic ladder.

In periods of high unemployment, more poverty and high inflation, the poor tend to eat less of everything so that those who ate bread, switch to maize. Those eating maize, simply eat less.

The R50-million decrease in the bread subsidy (which was R200-million) is likely to add at least 6c to

## BUDGET '86

The staple diet of the poor is bread. The staple diet of the even poorer is maize. With the cut-backs in subsidies, those on the poverty line are simply going to have to eat even less.

PAT SIDLEY reports

each loaf of brown bread. The controlled price of a brown loaf is 50c. That of a white loaf is 70c. About 13c of the price of the brown loaf is the subsidy.

In 1974/75 the R35-million subsidy on bread was split almost evenly between white and brown loaves. In those days 738-million white loaves and 378-million brown loaves were sold. A white loaf cost 20c, brown 16c.

Around 1978 the government decided to switch its focus from white bread to brown and provided R40,3-million for brown bread and R5,4-million for white. That year 900-million loaves of brown bread were sold and 379-million loaves of white were sold. The subsidy that year kept the price of brown bread down to 16c a loaf and white bread rose to 25c.

In 1982/83 the R200-million subsidy was paid almost entirely on brown bread and sales shifted. Of the 1,6-billion loaves of bread sold, about 75 percent were brown and 25 percent were white. The price of the brown loaf was 35c and a white loaf was 53c. (This included GST which has since been dropped on fresh foods.)

At the moment, the Wheat Board says, about 1,740-billion loaves are eaten annually. About 75 percent of them are brown and the subsidy of about 13c a loaf is entirely on brown bread.

These figures show dramatically that when the size of the subsidy keeps prices down, eating patterns change radically in line with it. And they also show that in spite of the population increase, bread consumption has hardly changed.

Additionally, the size of the loaf has decreased from 900gms to 850gms and this has failed to increase sales of

bread.

This should indicate that more maize is being consumed. However, data compiled by consumer expert Vita Palestrant for Checkers' submission to the Davin Commission on the bread subsidy, illustrates that maize consumption has dropped as well.

"It is reasonable to assume that consumers switching from brown bread to maize were taking the place of those maize consumers who were being forced, of necessity, to eat far less," says Palestrant.

The Davin Commission looked at whether subsidies benefited underprivileged consumers. It argued that it benefited middle and upper-income groups.

Checkers' submission to the commission argued forcefully that the subsidy was correctly targeted. Justifying this, it said blacks consumed about 72 percent of all bread in South Africa, with coloureds and Indians taking another 12 percent.

The maize picture has been gloomier than the bread one. For a decade until 1984/85 its annual average growth rate was 0,6 percent. During that period the bread price rose by 246 percent against the white maize price, which increased by 378 percent. The consumer price index for that period rose by 232 percent and the food index by 256 percent.

At the moment producers fetch R218 a ton for maize and sell it for R265 a ton. About R16 a ton is subsidised for handling and storage.

About three million tons of maize in the form of mealie-meal is consumed annually.

The Checkers submission to the Davin Commission ended on a note of warning that the cutbacks in subsidies were occurring against a backdrop of widespread unrest and deep recession.

It noted that between October 1984 and May 1985 a decline in bread consumption took place in several areas hit by unrest — before the introduction of consumer boycotts.

"We wonder whether hunger itself acted as part of the trigger mechanism setting off the disturbances," the submission says.

## Unrest a factor, study of three areas shows

# Vast number in Soweto 'live below poverty line'

By Jo-Anne Collinge

More than 60 percent of families in White City, Soweto, live below the poverty line, according to a study by Professor Jeremy Keenan, an anthropologist at the University of the Witwatersrand.

Rapidly rising unemployment, combined with inflation and reduced opportunities for informal-sector activity are blamed for pushing families below the poverty line.

Similar research in Moroka found that 48 percent of surveyed families fell below the poverty line at the end of 1985. In Phiri, the figure was 52 percent.

Professor Keenan said unrest had reduced the chances of supplementing income by informal-sector activity.

"With the closure and boycotts of schools many people

have been unable to sell food and cold-drinks to children," said Professor Keenan.

"Many shebeens have been destroyed or put out of business. Consumer boycotts and transport difficulties have made it difficult for hawkers to get supplies. The presence of police and troops in the streets has deterred many people from venturing into such activities.

### REDUCED CONSUMPTION

"Wages are paid to individuals, but individuals live, reproduce, consume and die as members of social units.

"It is quite possible for wages to rise in real terms, but for overall consumption to decline. Indeed, that is what we have been witnessing in Soweto, and elsewhere, for the past year or so."

He illustrated this saying that in White City wages rose

27,6 percent in real terms between July 1984 and December 1985. However, unemployment had risen, too, increasing the number of dependants in most families.

Professor Keenan has been monitoring the economic fortunes of 50 families in the three townships for between four and seven years and he insisted it was foolish to plan on "one-off" studies, which might reveal temporary features quite contrary to long-term trends.

He rejected "the popular notion presented by the State" that the economic situation of black households was merely the result of a temporary downturn in the economy.

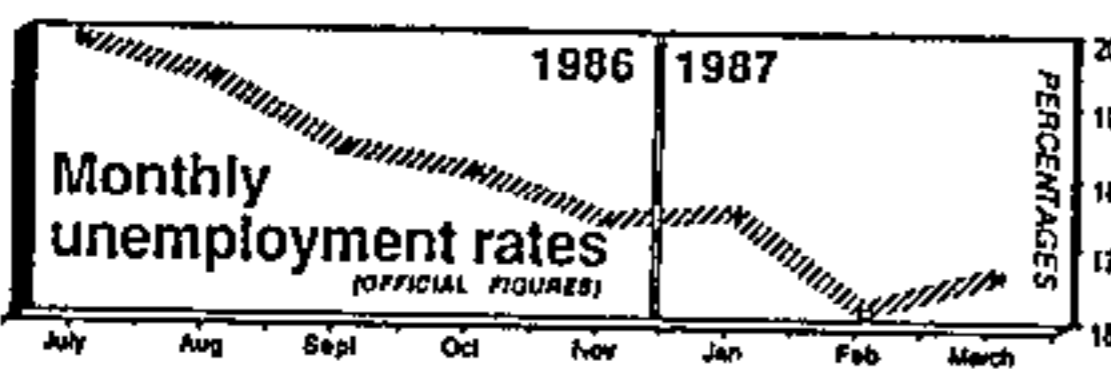
"The economic situation of blacks, in aggregate and as mediated through familial and household structures, has shown little or no sign of improvement since the mid-70s," he said.

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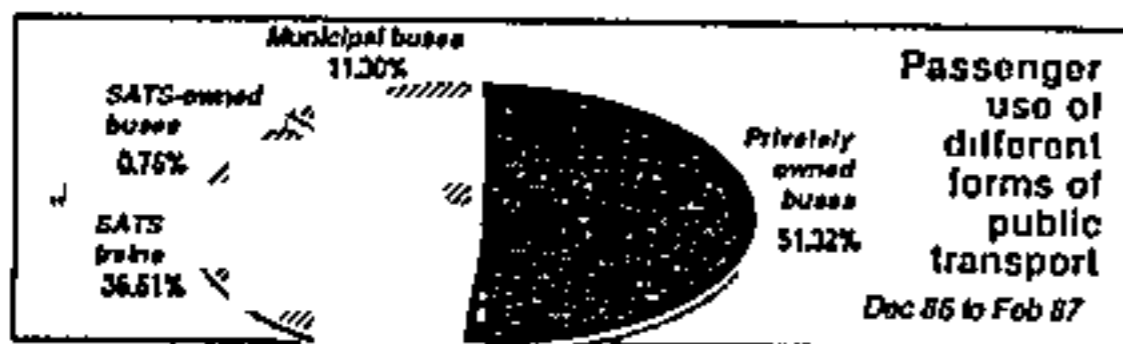
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# BUSINESS BAROMETER

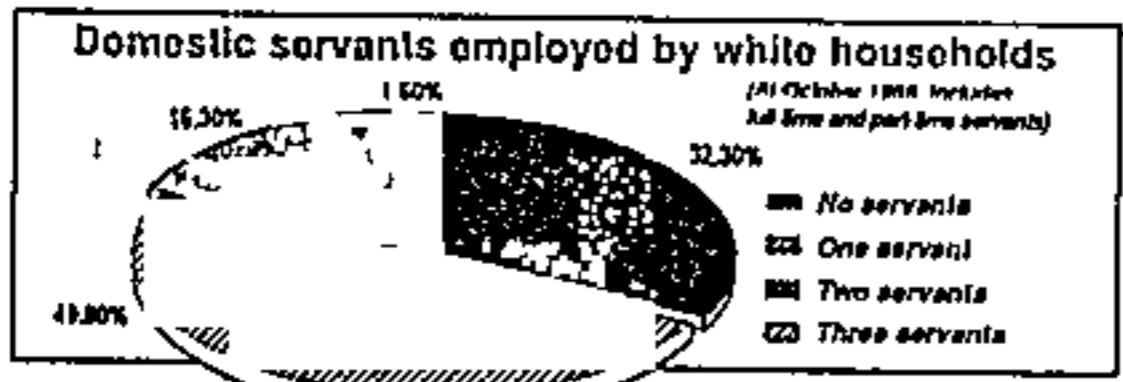
## GENERAL INDICATORS



**UNEMPLOYMENT**  
Unemployment reached 19,5 percent in March, according to the Central Statistics Office's expanded definition of unemployment, which includes underemployed people. The unemployment rate in March was slightly up on February's figure of 19,2 percent. More women than men are out of work: 23,2 percent compared with 12,8 percent in March.



**PASSENGER TRANSPORT**  
The number of passengers transported by private undertakings (such as bus companies Putco and Tollgate) was 63 026 000 in May this year, up 1,5 percent on April but down 12,9 percent on May last year. The net profit for private passenger transport firms for the quarter ended March this year was R28,9 million, compared with a loss of R12,4 million in the same period in 1986.



**DOMESTIC WORKERS' WAGES**  
Average wages of domestic servants in white households has shown huge increases in real terms since 1973. But this increase is from a very low base. According to a Central Statistics Service survey, the average cash wage for a full-time black woman domestic servant on the Witwatersrand was R32,86 in 1975. By October 1986 it was R139,65. To this figure should be added payments in kind for food, lodging and other goods totalling about R86. By contrast average cash wages for black woman domestic workers in East London in 1986 were R104 a month.

**GOLD PRODUCTION**  
The amount of gold produced in South Africa in the first six months of this year was 4,1 percent lower than in the same period last year. A total of 9,9 million ounces. Chamber of Mines figures show that gold output in June was 5,4 percent lower than in June 1986 but 6,7 percent higher than in May this year.

## INDUSTRIAL RELATIONS

**MINE ACCIDENTS**  
Eight hundred people died in mine accidents last year compared with 706 in 1985, according to the annual report of the Department of Mineral and Energy Affairs. Of last year's deaths, 702 were in gold mines and 66 in coal mines. This gives a death rate for 1986 of 1,27 per thousand workers in gold and 0,55 in coal mines. The department says the Kinross mine disaster dominated the mine accident scene last year, and without it the death rate might have been lower than in 1985. The accident rate in all mines in 1986 was 16,3 per thousand workers, down from the previous year's figure of 19,6.

**ENGINEERING WAGE RATES**  
Wage increases for workers in the civil engineering industry have not kept pace with inflation. The Central Statistics Office weighted average wage rate index for this industry was 13,6 percent higher in the quarter ended May this year than in the same period last year. Artisans' wages went up by 10,3 percent over this period.

## FINANCIAL INDICATORS

### Johannesburg Stock Exchange Indices

JSE Indexes	3/7/87	WEEK AGO	% CHANGE
All Market Index	2669	2689	- 0,7
All Gold Index	2359	2459	- 4
Industrial Index	2216	2205	- 0,5

### Short-term interest rates

	6/7/87	WEEK AGO	YEAR AGO
Three month bankers acceptances	8,75%	8,8%	11,0%
Prime overdraft rate	12,5%	12,5%	14,5%

### Gold Price

	6/7/87	WEEK AGO	% CHANGE
	461,2	473,40	- 2,6

### Selling price Major currencies against rand

	8/7/87	WEEK AGO	% CHANGE
US dollars	47,16	48,13	- 0,6
Pounds Sterling	312,25	327,45	+ 0,7
Deutsche Mark	0,8981	0,9059	+ 0,4
Yen	7,465	7,500	+ 2,0
Swiss Franc	0,7276	0,7265	+ 0,1
Financial Rand	2875	3050	- 5,7

### US Dollar against major currencies

	8/7/87	WEEK AGO	% CHANGE
Dm	1,8955	1,8848	+ 0,6
Sterling	157,50	1,5730	+ 0,1
Yen	151,48	151,50	+ 0,9
SwFr	157,60	156,20	+ 0,01

Source: First National Bank

## THE ECONOMY

# More than half the miners earn below poverty datum line

By PHILLIP VAN NIEKERK and JEAN LEGER

About 85 percent of black workers on the country's gold mines — those in grades one to four — earn wages below or near the poverty datum line.

The Bureau of Market Research at the University of South Africa calculated that the "minimum living level" for an average family was R419 per month in February 1987. At this time, the Chamber of Mines's minimum wage for underground workers in grade four was R365 per month.

More than half the workers — those in grades one to three — earn substantially below this.

The minimum living level includes only the barest necessities and is defined by the bureau as the "lowest sum possible for a household to subsist."

For a century, the Chamber of Mines has unilaterally determined the wages of black miners.

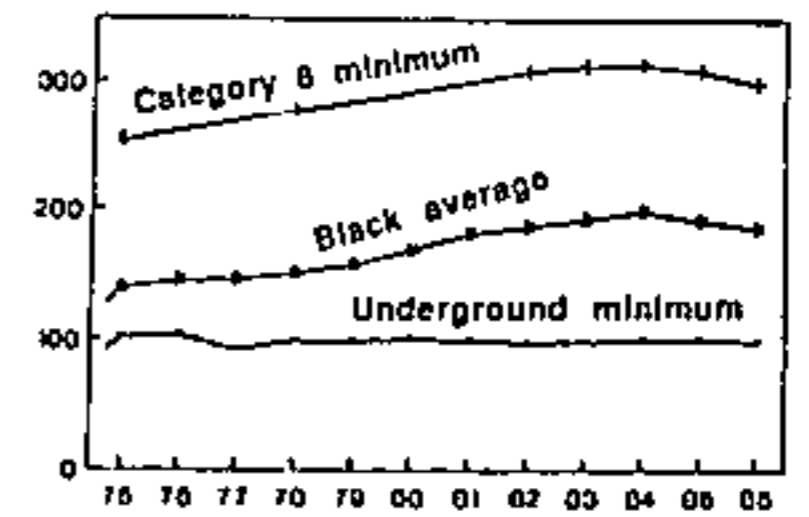
From the 1890s the real wages of black miners declined steadily until 1970 when the minimum for an underground worker was R10,40 a month.

Even when the wages soared in the early seventies — rising in real terms by 300 percent between 1970 and 1975, following the freeing of the gold price — it was the chamber which set the increases.

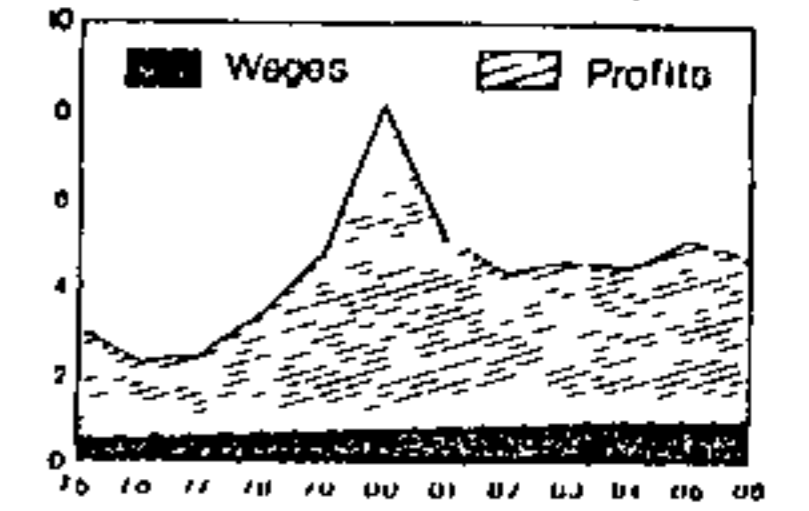
However, since 1975 the real wage has only increased by a third, according to figures assembled by the Labour Research Service, a Cape Town based economic research group.

The average real wage of black gold mine workers has declined since the National Union of Mineworkers started wage bargaining with the Chamber of Mines in 1983.

In 1983 the average wage was



Gold mines real wage trends (in 1980 Rands)



Black wages to total profits

R286 per month, rising to R427 in 1986 (the figure for 1987 is not yet available). Deflating for the consumer price index, the 1986 wage was equivalent to R278 — a net decrease of three percent.

Clearly, one of the tasks of the National Union of Mineworkers is to achieve a structural transformation of the remuneration of black miners from poverty wages to wages commensurate with what miners earn in other countries.

In almost all major mining countries — Western and Eastern bloc — miners earn far more than workers in manufacturing.

In Poland miners earn twice as much as manufacturing workers, in Australia they earn 64 percent more, in the Soviet Union 55 percent, in Canada 43 percent, in the United States 32 percent and in the United Kingdom 20 percent more.

But in South Africa — where the mines are the deepest, hottest and among the most dangerous in the world — miners only receive 73 percent of the earnings of industrial workers.

There is no doubt that, on the whole, the mining industry — whose profitability has certainly not diminished this year — can pay substantially increased wages.

In 1986, shareholders of gold mines earned R2 545 million in dividends — more than the total earnings of the 485 000 black miners who received R2 484 million.

This is only 15 percent of every ounce of gold sold. Total pre-tax profits, on the other hand, equalled 51 percent.

This included R2 416-million which was reinvested on behalf of shareholders as capital expenditure to yield yet more profits in the future.

A further R3 366-million went to the South African state in the form of tax. Incidentally, it is the state, in the form of decreased taxes, which would foot the bill for any increase paid to miners.

For every extra rand miners earn, on the basis of 1986 figures, the government would receive 57 cents less in taxes. Shareholder dividends would only decrease by 43 cents.

The fact that the NUM has been unable to dent the structural poverty of miners reflects the need to command the support of a substantial portion of the three-quarter-million miners before it can force the chamber's hand.

The union has won improvements for workers on issues such as unfair dismissals, safety and improved working conditions which have not required industry-wide industrial action.

Though it is still too early to tell, the 1987 strike could represent the most substantial challenge ever to the "chamber prerogative" which has kept the majority of miners in a state of poverty since the turn of the

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## Blacks and coloureds in Free State are suffering

# Life is below poverty line 242

**BLOEMFONTEIN** — About 75 percent of the number of blacks and 45 percent of coloured households in Region C — the South African and non-South-African areas of the Free State — receive the minimum income needed to afford most basic necessities — or some-

times even less

Professor E P Beukes of the Department of Economics at the University of the Orange Free State said this in an economic profile of Region C presented to the Urban Foundation's conference on demography, economic opportunities and education in Bloemfontein

yesterday

The facts meant that absolute poverty was a widespread and serious among blacks and coloureds in the region

Professor Beukes said it seemed to be a fair estimate that the ratio of white incomes to black money incomes in the province was about 5-to-1

or 6-to-1

From limited data available, indications were that substantial differences existed in the levels of remuneration between the main centres of economic activity, on the one hand, and the rural areas — particularly white farms — on the other

This was an important, if not decisive, factor that influenced the consideration of movement to urban areas by blacks

A survey of monthly cash remuneration of farm workers in the Bloemfontein district this year showed that the farmers' opinion of the mean value, on average, was R71,29, while the workers' opinion was R63,35

Professor Beukes said it was clear that the level of cash paid monthly to farm workers in the Bloemfontein district was low by any standards.

When this form of income was supplemented by remuneration in kind (using the farmers' estimate), it amounted to a monthly average income of R310, which was also significantly below the minimum subsistence level.

In 1986, the minimum income to sustain a black family at subsistence level was estimated to be R500 a month — Sapa.

# Call to extend minimum wage laws to homelands

(27)

SA WOULD continue to be faced with homeland poverty unless minimum wage legislation was extended to those areas, Operation Hunger executive director Ina Perlman said this week.

The Labour Relations and Wage Acts make provision for a minimum wage in most industries in SA except emergency services and for state, domestic and agricultural workers.

The National States Constitution Act of 1971 provides that any self-governing area in SA is exempt from the provisions of SA labour laws bar the Unem-

BRONWYN ADAMS

ployment Insurance Act and the Workman's Compensation Act.

On the whole, 70% of the rural people depended on outside income for their existence. Large companies made matters worse by paying wages far below the SA minimum wage.

Wits Business School senior lecturer Loet Douwes-Dekker said all workers in a market economy were entitled to freedom of association rights. It was un-

fortunate that in SA, as an economic unit, separate development had resulted in the formation of certain pockets where trade union-negotiated benefits and sound SA labour laws could not be extended to all.

This left people in homelands open to excessive exploitation, he said. Some employers in Kwazulu paid shocking wages while, gauging from their profit margins, they could well afford to pay living wages, he said.

Former Natal Chamber of Com-

merce chairman and Katz International Corporation (KIC) MD Charlie Palmer challenged Perlman's scenario. He said KIC, one of the biggest companies in Kwazulu, and a number of other large organisations in the homelands, paid well above the SA minimum wage (on average R500 a month).

Textile company OTH Beier GM Neville Green said his workers in Kwazulu were paid below the minimum wage level as they had no skills. Rural workers were 50% less productive than urban workers, he said.

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# Tackling poverty can't wait until apartheid finally dies

POVERTY won't disappear until a majority government is installed in Pretoria — but will it disappear when one is elected? This report, published this week, raises pressing questions about what is to be done, now and in the future, to give the poor a real share in South Africa's wealth.

The first Carnegie Commission in the 1920s studied the conditions of poor whites. Its report was the basis of effective state intervention to alleviate the "poor white problem" — often at the expense of poor blacks.

Carnegie II was a very different investigation. Initiated in 1980 at the University of Cape Town, its premise was that black South Africans were the main victims of the widespread poverty and destitution in the country.

**The Carnegie report into poverty in South Africa, released in book form this week after eight years of research, argues that while fundamental political change is a pre-condition for eradicating poverty, democracy alone will not ensure success.**

**HILARY JOFFE reports**

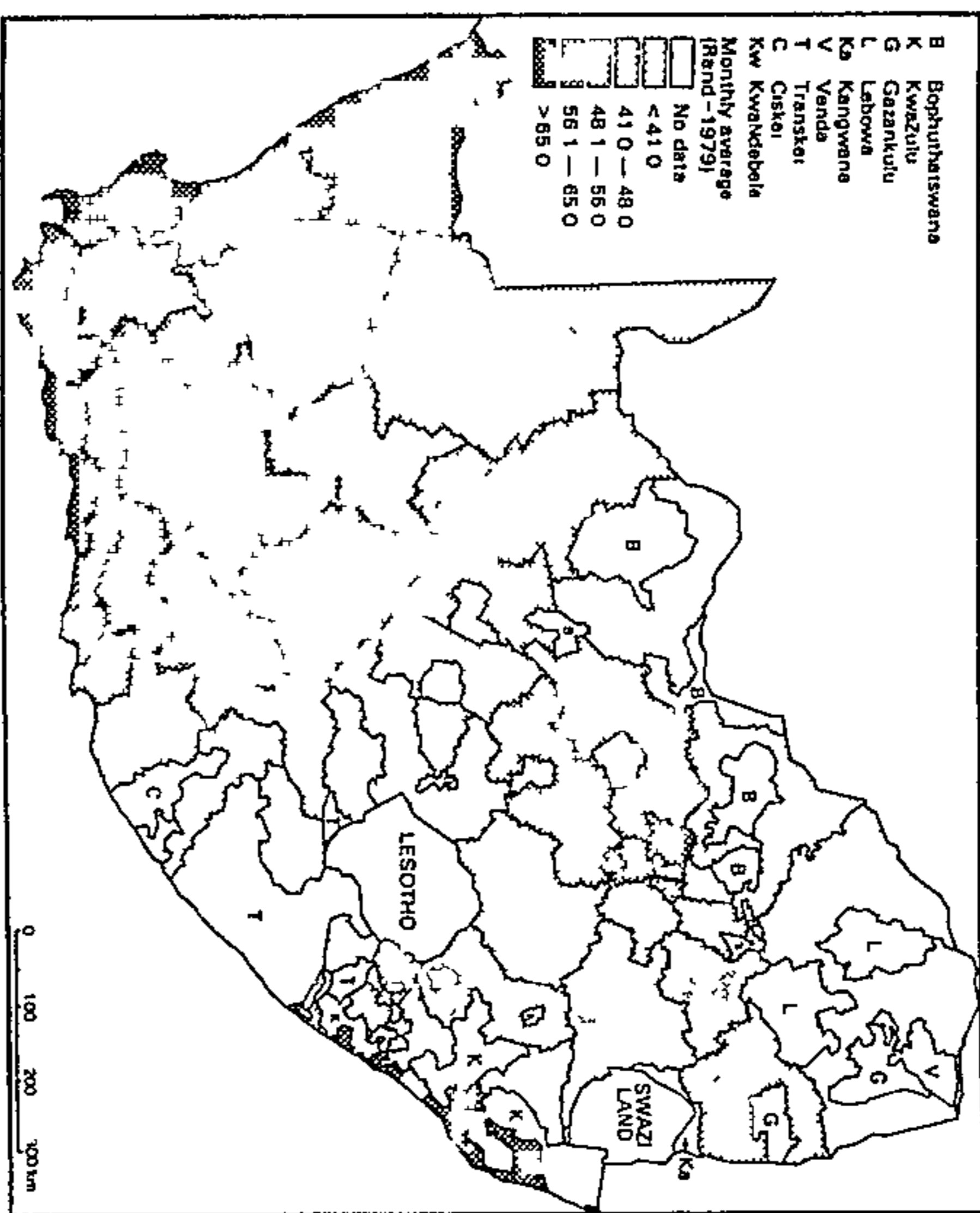
with so many contradictions as South Africa, it is possible to find a crack in the structure, within which a seed may take root and grow, transforming the landscape in the process."

They cite the way in which the trade union movement which has emerged since the 1970s has struggled successfully for space in which to operate and has made "a substantial contribution to shifting the balance of forces within the existing society in favour of the poor."

They point out too that a range of independent grassroots organisations have emerged which can make a difference to people's lives now. Such organisations, by giving the poor more power over their own lives, also lay foundations which will determine the shape of society in the long run.

Wilson and Ramphela set out three guidelines for thinking about strategies.

The first is that these must empower people rather than co-opt them. The second is the need for a value which will ensure the trans-



**A topography of farm wages for Africans at the end of the seventies**

not treat "homelands" as the "Third World", separate from the mainstream "First World" economy. Constructive rural development would emphasise the integration of rural areas into the wider urban economy by, for example, training people so they could move to town and get jobs or by helping rural people compete with commercial agriculture or urban areas.

Ramphela herself started a rural community development project, the Ihuseng Community Health Centre, near Tzaneen, when she was banished to the area in 1978. The project began with health care but ex-

projects are fragile and that there are all sorts of problems involved. But they want to see a "dense network" of such organisations growing up.

They also focus on organisations for health care, child care and education and legal aid which fit their framework of empowerment.

One question they raise is of the role of business in the development process. They do see a role for private enterprise in the struggle against poverty but, they say, "What is required... is a continuing commitment, backed by adequate resources, to search... for new ways to harness the energy of the state."

whether it would guarantee workers a greater say in their own lives at work — something they believe is essential.

There is essentially a social democratic manifesto. They see a role for the market in allocating resources. But they also see its limitations, particularly in terms of addressing the needs of the poorest.

For them, in a future non-racial democratic society there will have to be extensive state intervention in areas such as the provision of adequate sewerage, water, fuel, education and health for all.

They are not in the camp which argues for less government spending. Indeed they reject privatisation, for example, of health services as a measure designed to rid the state of responsibility for the poor.

Rather, they say, "the precise proportion of GNP spent by the state is a less fundamental issue than is the efficiency with which it is spent and the goals to which it is directed."

If even a relatively small percentage of government spending were re-allocated to, for example, public works projects which would provide needed infrastructure as well as jobs, and food stamps for the poor, this could make a significant difference to the lives of the poor.

Abolishing apartheid measures such as forced removals, land laws, migrant labour, Bantu Education, misallocation of public funds, repression and destabilisation of surrounding countries would be essential in halting "the systematic assault by the state on the poor".

But this would not be enough, Wilson and Ramphela say. They raise complex questions, in the context of research findings, about what the role of the state would be in specific areas.

Wilson and Ramphela argue too that redistribution of wealth would help to

the report presents a devastating picture through statistics, which, for example, show half of South Africa's population has a living standard below the subsistence level, while over 80 percent of Africans in reserves live in dire poverty.

But, more powerfully, the reports in painstaking detail a picture of what it is to be poor in South Africa, often portrayed through the voices of the poor themselves.

Events such as drought or job loss can plunge those who were managing to survive into destitution. Certain groups are particularly vulnerable: those in rural areas, children, old people, and adults who are handicapped.

Wilson and Ramphela argue that developing "effective strategies to deal with poverty in South Africa constitutes the central, fundamental challenge to our society."

And they raise far-reaching questions about strategies to address the challenge, in both the short and the longer term.

They argue fundamental political change would be an essential precondition for a thorough attack on poverty. But they don't believe political democracy, on its own, would ensure the poorest "become full members of a more egalitarian society." So they open debate about strategic choices for a future government.

They also, however, do not believe strategies can wait for a change in political power. Action taken now, and the kinds of organisations built now, will shape the options which are available in a future, non-racial democratic society. They therefore look at action in the present which can provide a constructive basis for the future.

As they put it, "even within a totalitarian system, especially one riddled

formal on a South African creation of a new society is of benefit to all those living in the country.

The third is the notion of "common wealth" public services should be at least equal for all. And they caution against development strategies which might alleviate poverty in South Africa itself at the expense of neighbouring countries, which are to a large extent part of a common economy.

Empowerment, for Wilson and Ramphela, is a process of alleviating poverty by building organisations which enhance people's self image and their experience of democracy. They reject philanthropic actions which promote dependence. Genuine development work, they argue, is that which enables poor people to build organisations for collective action, which "like a hydro-electric dam, pool their resources and generate power where previously there was none."

So, for example, there could be collective action to create jobs for the unemployed in two main areas: the provision of credit and co-operative production.

The stokvel associations in the townships and the Cape Credit Union League provide credit, although, Wilson and Ramphela say, such organisations can only be really effective in alleviating poverty if they provide credit for buying "investment" goods which enable people to make their own living — sewing machines for example — rather than for the purchase of consumer goods. The authors suggest further that financial institutions such as banks need to develop ways to finance development too.

The idea of co-operatives in South Africa is spreading rapidly and Wilson and Ramphela view co-ops as organisations for change which can empower people, although they spell out some of the problems co-ops have encountered here and elsewhere.

Wilson and Ramphela believe there is room for action on rural development by independent organisations, even within the present system, which feed into long-run strategies for change. They caution that such action must

**UPROOTING POVERTY**  
**The South African**  
**Challenge**  
Report for the Second  
Carnegie Inquiry into Poverty  
and Development in Southern  
Africa (David Philip, R22,30)

such as poor nutrition, lack of proper housing, water-borne diseases, illiteracy, unemployment and family disorganisation. It thus is one of the case studies provided in the book which illustrate the authors' vision. They stress though that many of these

are of our own making, not simply to against it. Their conclusion "The major make money, but to meet the needs and aspirations of all the people". Wilson and Ramphela are not against nationalisation. They suggest some nationalisation might be necessary. But they raise the question of state policies."

## Masizakhe Moravian Self-help Development Programme

# CO-ORDINATOR

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Moravian Church Self-Help Development Programme  
P.O. Box 24111  
Lansdowne 7780  
Closing date: 18th February 1989.

27/1/89  
2/2/89  
242

# WORLD'S LIVING STANDARDS LEAVE DAW IN THE POORHOUSE

Renewed alarm over the chronic decline in the average standard of living in South Africa in the 1980s has been voiced by the National Productivity Institute in a review of global trends.

Living standards dropped by an average of 1,7 percent a year between 1981 and 1987 while most overseas countries recorded fresh advances.

An NPI publication, "Productivity Focus", released today, shows that living standards in Switzerland now stand eight times higher than in South Africa when overall economic output is broken down to a head count of total population.

The yardstick used to measure the gap is gross domestic product per capita, with prices and exchange rates all fixed in 1980 terms. The formula sets out to iron out distortions caused by inflation.

Living standards are six times higher in the United States and Germany and five times higher in Japan and Britain.

Starting from still lower levels in 1981, Taiwan and Korea have both overtaken South Africa.

The NPI studies also underscore the massive damage suffered by the South African economy as a result of the population explosion that

South Africa's living standards are now eight times lower than Switzerland's, six times lower than the United States, and five times behind Britain's

steadily worsens an already critical unemployment problem

When the researchers measure the patterns of gross domestic product on a head count of actual labour forces, they find South Africa made at least a little headway

It was the size of the unemployment problem that wrecked progress and caused the overall average to topple downhill

**PRODUCTIVITY WELL DOWN**  
But even with the count confined strictly to workers with jobs, South Africa managed to push ahead by no more than an average 1,1 percent a year compared with 6,5 percent in Korea, 4 percent in Taiwan, almost 3 percent in Japan and 2 percent or better in Germany and Britain.

Problems were compounded by inflation — especially when surges in wages intended to keep abreast of the cost of living index were not matched by improvements in productivity

It emerges that while pay packets in the manufacturing sector in South Africa bounded more than 440 percent higher between 1975 and

1987, productivity advances dawdled behind at only 31 percent

In the sharpest contrast of all, while pay packets in Japan swelled by no more than a modest 91 percent, the increases were more than matched by productivity gains of nearly 95 percent

The repercussions on the labour cost of every product turned out was disastrous In South Africa costs soared by 312 percent In Japan, costs per unit actually declined — shaved down almost 2 percent

The NPI underlines the severity of the inevitable adverse impact on the competitiveness of SA products

Alarm is voiced over the pattern of job creation. The study shows that the government sector increased its labour force by a stunning 304 000 employees between 1980 and 1987 — while the manufacturing sector slashed 67 000 jobs from its labour pool.

The researchers warn against temptations to juggle with weak exchange rates to try to find a competitive edge in export markets — rather than grasping the productivi-

They note that while the rand stayed stable between 1975 and 1979, non-gold exports galloped ahead at 9,8 percent a year When the rand began its slide, exports dropped 6,6 percent a year from 1980 to 1983

**FOREIGN DEBT BOGY**  
The weak rand appeared to have helped exports since then, but the depreciation of the rand had in turn had a hand in increasing South Africa's foreign debt burden to more than \$22 billion — meaning more handicaps for the chances of economic growth.

And as living standards shrank, so did the level of personal savings needed for new investment and expansion — down from around 12 percent of disposable income at the start of the 1980s to 3 percent in 1987

Labour is by no means the only factor in the productivity problem, the NPI stresses Though modest by many international comparisons, labour productivity had at least managed to grow by 26 percent since 1970

But advances on the labour side had been more than cancelled out by the poor productivity performance of capital resources — all the machinery and equipment used in production

Over the past 12 years, while total employment inside the manufacturing sector remained static, the amount of capital ploughed in doubled.

But the actual productivity of capital since 1970 plunged by more than 32 percent — meaning that when productivity as a whole was measured its overall level was no better than 20 years ago

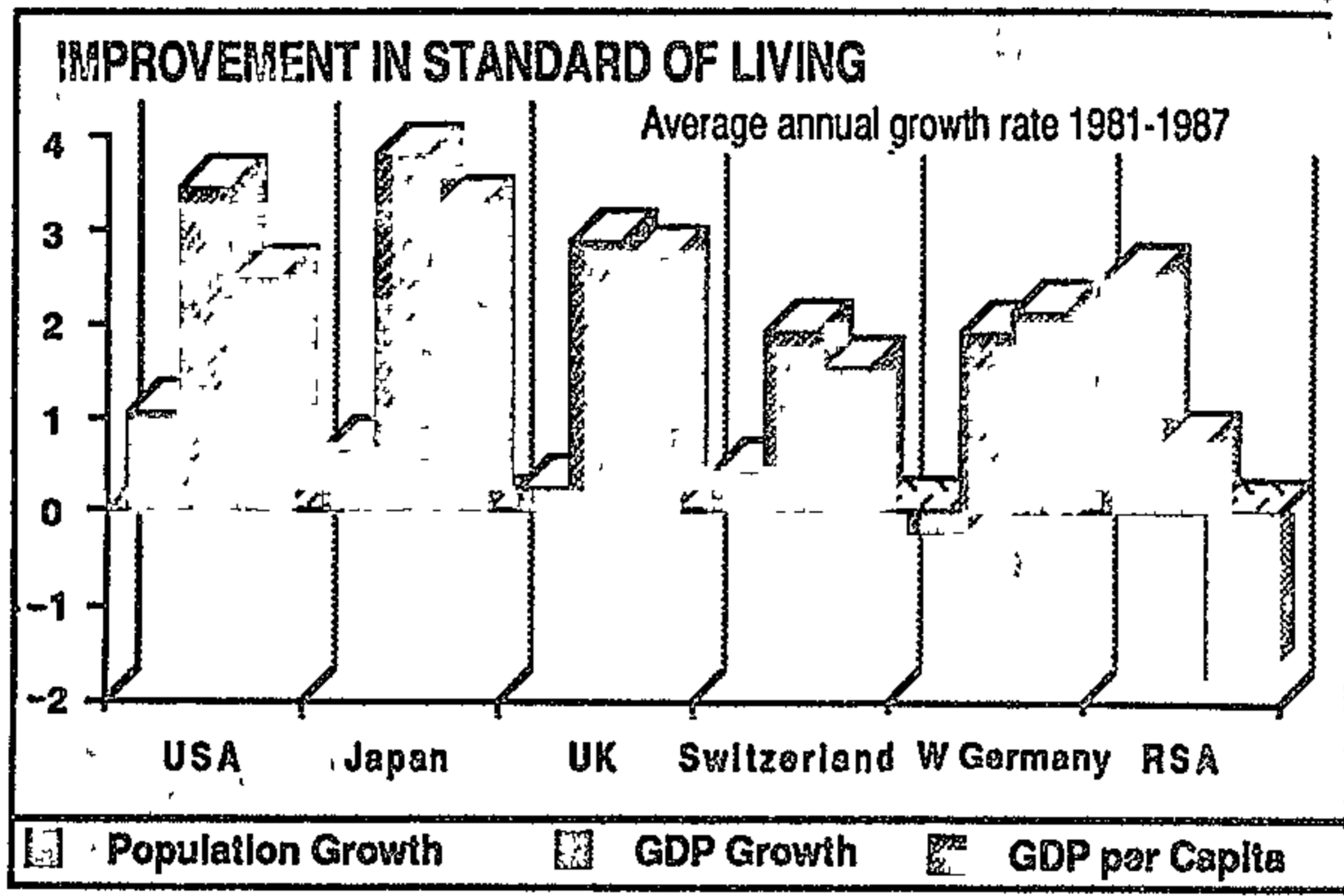
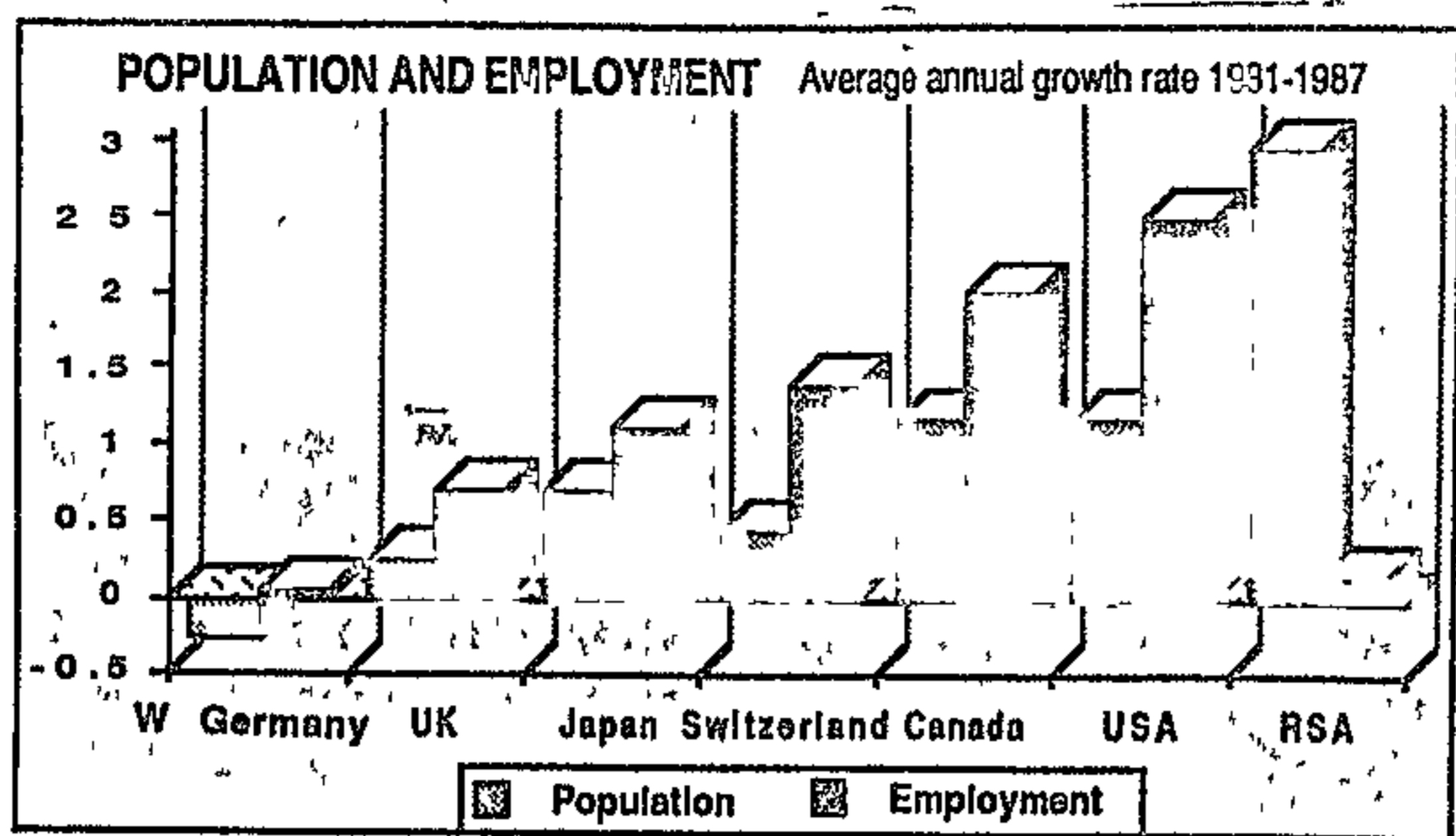
The NPI concludes. "Improving productivity is fundamentally a function which rests with management.

"Employees should attempt to enhance the market value of their skills through training and education

"Producers of capital equipment should strive towards producing more cost-efficient machines, plant and equipment.

"Management's function of choosing the least cost combination of inputs to produce the desired flow of output is, however, the major source of any economy's productivity growth"

P.70



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South Africa's living standards are now eight times lower than Switzerland's, six times lower than the United States and five times behind Britain's. **MICHAEL CHESTER** examines the causes and what can be done to remedy an alarming situation

steadily worsens an already critical unemployment problem

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## PRODUCTIVITY WELL DOWN

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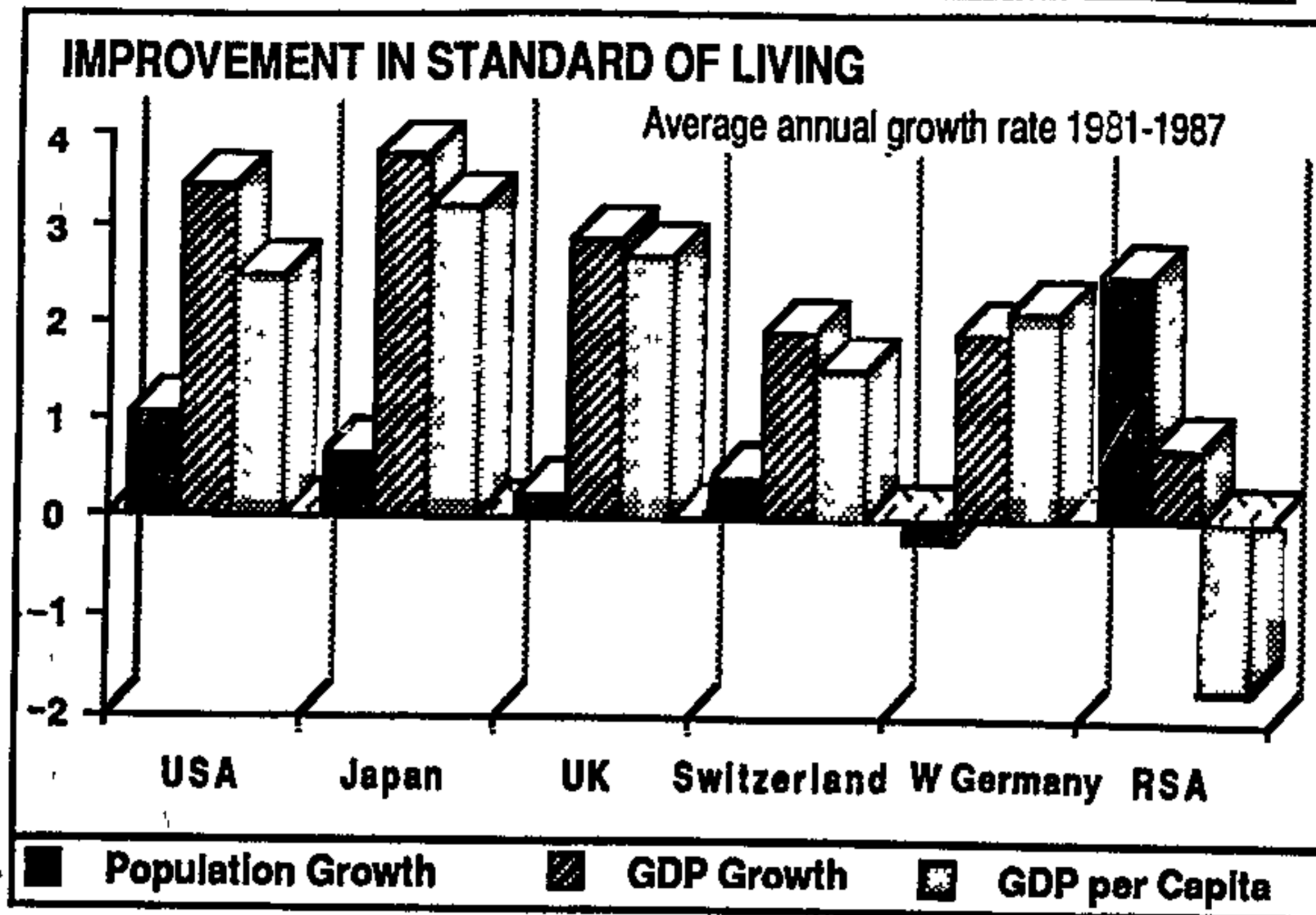
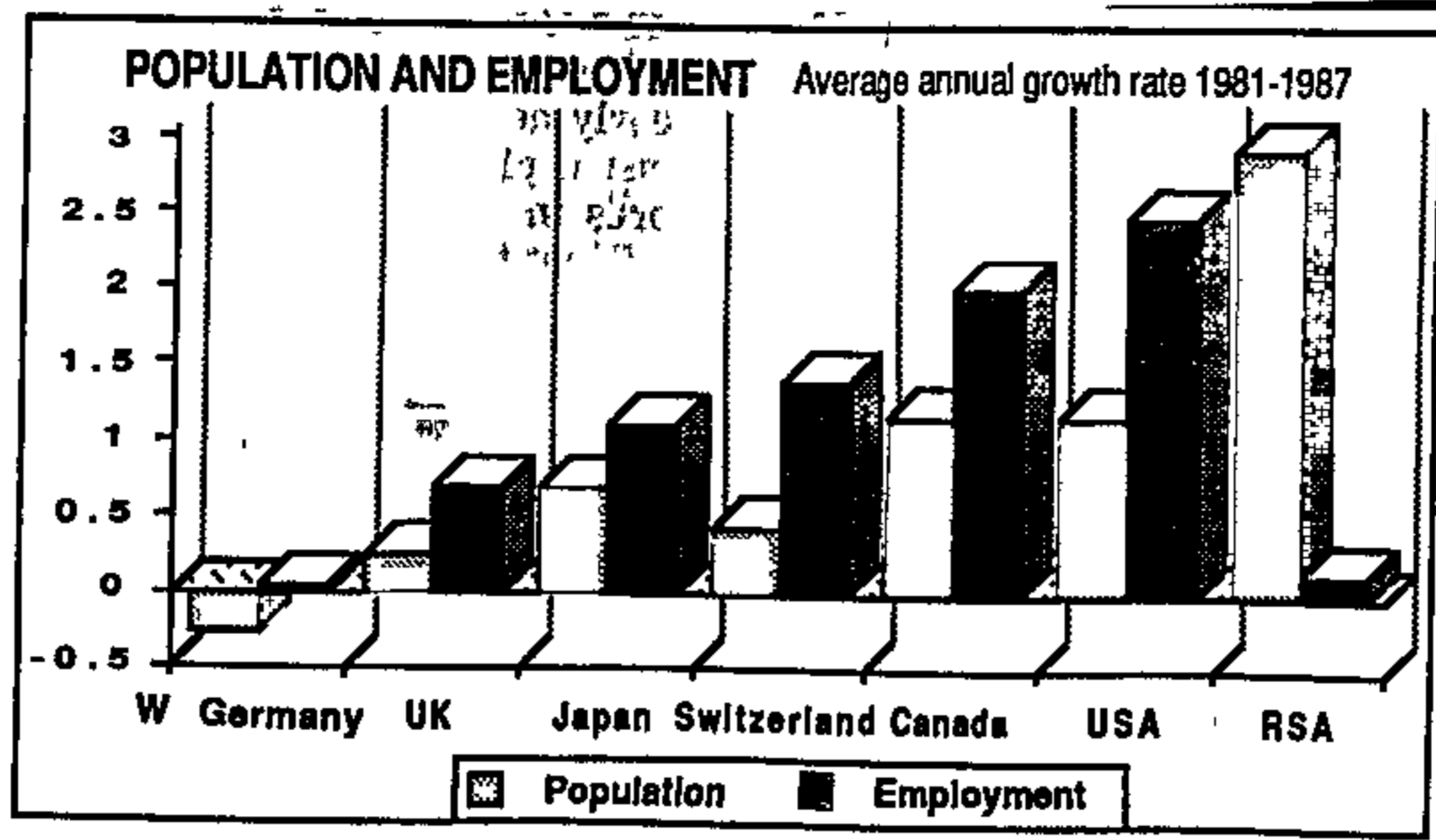
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P 170



# Johannesburg set for <sup>242</sup> CoL increase this year

By Shirley Woodgate,  
Municipal Reporter

The cost of living in Johannesburg will rise considerably after this week's budget, which is likely to include an assessment rate increase of at least 10 percent coupled with a steep water tariff price hike

Management committee chairman Mr Jan Burger is expected to announce these increases in his maiden budget speech at noon on Wednesday

With the users due to foot the cost of the multibillion rand Lesotho Highlands Water Project (LHWP) — planned to augment the water supply to the PWV area — sources indicate the water tariff may go up by as much as 40 percent

## ELECTRICITY

This is against the background of a warning several years ago by Rand Water Board chairman Mr Dale Hobbs that the Reef's comparatively cheap water supply would eventually increase by up to 300 percent to fund the LHWP

An increase in the cost of electricity is also on the cards.

The annual budget debate takes place over two days and Democratic Party (DP) opposition has indicated it plans to give the ruling National Party a rough time

DP council leader Mr Tony Leon warned 12 months ago that the people would eventually pay with interest for the NP's "election budget" last year, which saw increases cut to a minimum ahead of the October general municipal election

Added to that warning is the fact that the NP in the city council is still plagued with internal problems, despite its insistence that everything is under control

Last year, tariff increases were held down to only 6,3 percent or an extra R9 a month more for the average householder and there was virtually no change in the assessment rate

Presenting his final budget, Mr Francois Oberholzer reminded residents that increases had been kept below the inflation rate since 1984

## Food subsidies warning

<sup>6 (Jan 14) 1981</sup>  
FOOD subsidies for lower-income households would have to be introduced if food were not excluded from value-added tax, said OK Bazaars chairman Meyer Kahn in the group's annual report (242)

Kahn also said the delay in implementing VAT was creating difficulties. It was not possible to plan until the nature and extent of this taxation became known

The RSC levy was placing an inequitable tax burden on mass-merchandise, labour-intensive retailers which operated on low margins and high turnovers — Sapa



## Living still cheap in Johannesburg

Staff Reporter (242)  
30/10/89

Johannesburg citizens may find it hard to believe, but they are still not living in the most expensive city in the world

That dubious distinction belongs to the Iranian capital, Tehran, which has ended Tokyo's four-year run at the top of the list, according to a biannual survey of 105 cities published in Geneva yesterday

The latest study by Business International takes New York as the base of 100 and uses the dollar exchange rate of April 3

This gives Tehran a cost of living index of 209, followed by Tokyo at 202 and another Japanese city, Osaka Kobe, at 200

Moscow has risen 14 index points from December 1988 to 111, making it more expensive than Paris (110) or London (109)

Cheapest is Ecuador's Quito with a figure of 34 and Johannesburg ranks 47th with 64

# OUCH! That petrol price rise will hurt

skw 15/1/87.

FOR MANY South Africans 1989 is turning into the year of the big squeeze. Big increases in taxes, mortgage payments, petrol prices and almost everything else is drastically reducing the average South African's living standards.

Many families, after meeting their essential payments, are finding that they have anything up to 10 percent less cash to spend in real terms than at this time last year.

And as the year wears on and prices continue rising following the latest petrol price increase, their spending power is likely to diminish even further.

The hardships many South Africans are facing can be illustrated by the case of someone we will call John Smith.

This time last year he was earning R4000 a month and had just bought a R76 000 house with a 100 percent bond at 15 percent — the maximum he could afford.

As he had not performed any exceptional business feats during the year and was not considered for promotion his pay rise at Christmas was the average 15 percent pushing his monthly income up to R4600 a month, which at the time he thought adequate although not particularly generous.

However, this turns out to be the only bright spot in 12 months of successively increasing demands on his paycheck as a result of inflation, increases in income tax and more recently the rise in the petrol price.

Comparing his financial situation with that of a year ago demonstrates why this is so.

## DEREK TOMMEY

penses — R1872 against R1804, a meagre 3,7 percent increase compared with the 15 percent he started off with.

But in the past 12 months most prices have risen by at least 15 percent. Therefore to buy the same amount of goods as he did a year ago he needs R1804 plus 15 percent. This is R2074,60. But he has only R1872. This is a shortfall of more than R200 or roughly 10 percent. This means he will have to cut his purchases by 10 percent compared with last year or go into debt or use up his savings.

Not all families will be affected to this extent. Families where the wife works are benefiting from the introduction of SITE. Many other families will have more behind them or are not living on such tight margins so that the effects of the squeeze will be much less than in the example quoted.

None the less, it is evident that a

great many South African families will have less to spend this year than they did last year.

So far, however, retailers report that the downturn in sales has not been particularly noticeable.

Although sales of television sets and similar "brown goods" are reported to have slumped in the past few weeks (which explains the sharp increase in TV and radio advertising) sales of white goods (refrigerators, stoves) are holding up.

Mr Chris de Bruin, managing director of Sharp Electronics, said that business conditions had become harder but sales were being maintained.

Buyers were far more price conscious, which was a great pity. They were buying "expensively" as it was difficult to get spare parts for many of the cheaper items they were buying, and after-sales service was also lacking.

One way people have been maintaining their living standards has been to in-

crease the size of their mortgage bond where this has been possible.

A consultant for one of the major banks said she had been extremely busy arranging larger bonds for clients.

People with houses worth, say, R100 000 and with a bond for only R50 000 were borrowing an additional R10 000 or R20 000 against their house.

This was enabling them to pay off their debts and still afford their foreign holiday.

One of the strange aspects of the present squeeze is that it is taking place immediately before a general election. Usually ruling political parties try to arrange for economies to be in an expansionary stage before going to the electorate.

The question is: Does this reflect great confidence on the part of the Government in their policies, or is it because the economy is in such a mess they could not avoid putting the squeeze on the electorate?

- His income tax (married rate) is up 20,4 percent from R1131 to R1362
- Monthly net income after tax is up only 12,9 percent from R2869 to R3238.
- Mortgage repayments shoot up 27,4 percent from R1000 to R1274 a month
- Assuming he buys 80 litres of petrol a month his bill rises 40,2 percent from R65,60 to R92,00
- Money left for other household ex-

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Star 14/8/89

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We can't have cake and eat it, say experts

# Decline in standard of living 'inevitable'

By Michael Chester

South Africans will pay the penalty for Government overspending and the waste of a bloated civil service by an inevitable slide in living standards in the year ahead, researchers have warned

The root cause of current economic problems has been the chain reaction of excessive Government expenditure, says the Econometrix research think-tank

Dr Azar Jammine, director of the unit, estimates that the number of public servants employed by central Government has soared by 57.4 percent since 1980. The public servant labour force running local government and the homelands had climbed by more than 39 percent

The massive burden of an oversized civil service, Dr Jammine said, was a result of the multiple duplication of jobs in efforts to cope with a complex political fragmentation of administration

To fund the multiple tiers of bureaucracy, the Government had impoverished everyone by ever-growing tax burdens

Resorting to the printing

presses to produce more and more bank notes had in turn worsened the inflation rate

While spending on bureaucracy had mushroomed, new investment in projects to improve the capital structure and infrastructure had come under the axe — with obvious longer-term implications

The overall result of the Government's spending binge was that economic growth had been strangled, inflation had been propelled into orbit and the tax burden grew heavier and heavier

## Cutting into savings

Until now, individuals had tried to protect their living standards by cutting into their savings or borrowing on loans or credit

But with disposable incomes eroded by high taxation, savings down to nil and with high interest making the cost of credit prohibitive, it was inevitable that consumer demand had to take a severe knock and start a new bust phase in the economic cycle

Unable to afford to borrow any more to compensate for high taxes, most South Africans would find it impossible to maintain liv-

ing standards in the year ahead

Yet while the tax burden on private individuals had more than doubled since 1980, the proportion of total tax revenue shouldered by big business had more than halved, Dr Jammine said

Problems had also been compounded by the growth of trade unions and the damage of inflation stemming from the pursuit of wage increases that were not matched by increases in productivity or by economic conditions

"There are no easy solutions and even political reform may not be the panacea to all our problems," Dr Jammine said

"Until each member of the economy comes to see that he cannot have his cake and eat it, and that an unselfish approach to the country's economic problems is called for by everyone, we will all suffer

"However, we need not all plunge to the depths of despair before coming to our senses. Much more frank discussion and inter-education is needed on a tripartite basis between the Government, business and labour"

● See Page 10

# Lowering the poverty line

A CAPE TOWN university study has criticised the poverty datum line as a measure used in determining wages

Researcher Debbie Budlender, in a paper released last week by the Southern Africa Labour and Development Research Unit, has warned that wage negotiators make a serious mistake by depending on supposedly scientifically calculated poverty datum lines to set minimum wages

"Human beings are not plants, for which some might argue that one can calculate fairly exactly the scientific requirements for existence"

Budlender says of the University of Port Elizabeth's household subsistence level and Unisa's minimum living level that they "do not secure long-term survival or insure a family against unfortunate contingencies"

UPE allows R302,35 a month for a coloured family of five in Cape Town. Unisa calculates R338,65. Of these amounts, R163,02 and R146,96 respectively are provided to buy food

"The prices of the various foodstuffs are calculated on the best prices available, in general those of the cheapest supermarket. Budget economists recommend that to get the best value for money the consumer should do one large shopping each month

"Few workers can follow this advice. They hold down fulltime jobs and have limited shopping time. They use public transport, which limits the number of parcels and packets they can carry at any time. They are very rarely in possession of the large sums necessary to buy all their monthly purchases at one time

"In addition, many families have inadequate refrigeration and heating facilities, which means that food cannot be stored for a long period. They are thus forced to make smaller and more frequent purchases," Budlender writes

She rejects the government's sales tax exemption on essential foodstuffs — milk, bread, fresh foods and vegetables. "Most of these goods are not often bought by the really poor. Without adequate refrigeration they are forced to buy tinned and other foods which are not exempt from sales

**The poverty datum line, supposedly the best guide to 'measuring' poverty, is based on a series of dubious premises argues a University of Cape Town study**  
**MOIRA LEVY reports**

tax"

The poverty datum line calculated by the Bureau of Market Research, in its clothing allowance for an adult woman, allows two pairs of panties and three pairs of stockings a year

"There must be few clothing manufacturers who would be prepared to guarantee that their panties can be worn decently for 182 days without wearing out.

One winter nightdress is allowed, but there is no provision for summer nightwear. Children's cotton pants and long-sleeved jerseys are supposed to last for two years. "This is a real problem with growing children," Budlender writes

For rent the MLL provides R29,59 a month for a five-member household living in the coloured townships in Cape Town. They would be hard-pressed to find a house at that rental, Budlender says

In Bonteheuwel, Kewtown and Bokmakiene — Cape Town's oldest and cheapest areas — rents are R31,05, R44,59 and R19,46 respectively. "In the case of Bokmakiene, however, there are only 302 of these low-rental houses, hardly sufficient to cater for all the workers who fall into this category"

Rents in the newer areas are much higher, ranging from R62,46 in Parkwood to R97,24 in Beacon Valley

"Most of the people in Cape Town did not choose to live in the areas they are in at present. They were moved there against their will. For many of them this also means transport costs above the average provided in the poverty datum line measures. These households will have to cut down substantially on some other vital area of expenditure"

Most damning of all is that no provision is made in poverty datum

lines for education. Coloured people are presumed to have free access to education, and school levies are included in the rent allowance, Budlender writes

"There is no provision for child care or creches. There is no provision for expenses of adult education. There is no provision for school books beyond those provided free by the school

"There is no provision for such things such as school suitcases, stationery and sports equipment. There is no extra clothing provision for school uniforms. The assumption that education is free conflicts badly with the de facto position

"There is absolutely no provision for post-secondary education. This in effect condemns the children of all those who are living at this low level to low-paying jobs which means that they in turn will live at low levels. This goes against all notions of equality of opportunity"

The calculated poverty datum lines do not allow for expenditure on toothbrushes, toothpaste or deodorant. The MLL allows for R4,80 a month for medical expenses. "This amount is not enough to cover the contributions to medical benefit funds, even less medical aids"

There is no provision for recreation, or for any transport to doctors, hospitals or any other "non-essential" activities

Budlender writes "We need to acknowledge the very real difference between the long term and short term, even when speaking of mere survival"

"In the long term we cannot expect that the lives of all household members will run smoothly. A long-term survival budget must allow for contingencies. People fall ill, are injured and die. Goods are damaged, stolen, lost and broken"

Budlender points to a final problem with the use of poverty datum lines in calculating minimum wages

"People are not happy earning just enough to keep body and soul together if they see people around them living in the lap of luxury

"They feel that if they contribute to creating the wealth of a society they have a right to a share in that wealth"

POVERTY — MINIMUM LIVING STANDARDS

1990 — 1991

# The expensive balancing act

Soweto 14/2/91.

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**DR AZAR Jammine of Econometrix estimates it will take R20 billion to R30 billion every year over the next decade to start closing the gap in black/white living standards. MICHAEL CHESTER reports.**

**NOW that the death knell has tolled on apartheid, under international as well as internal pressures, the main focus has turned to the political chess tournament between partisan alliances.**

Beyond the political rhetoric, however, vital questions are being posed that bring much of the bluster down to earth

How much cash will have to be ploughed into socio-economic programmes to bring about the transformation to the promised land of the "New South Africa"?

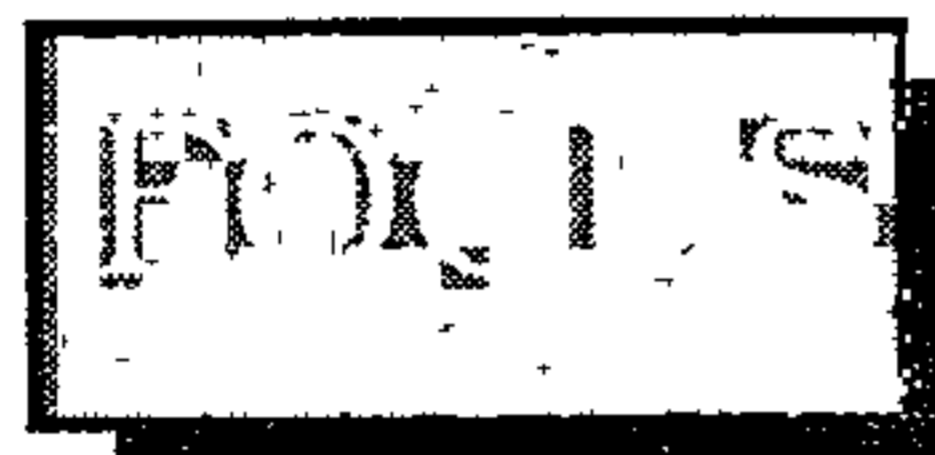
Where will all the funds come from?

Who pays the bills and how soon - especially in view of the way expectations have been pitched so high?

The answers coming out may not always be palatable to reformers in a rush.

For example, one of the first shocks for the politicians was an assessment from the SA Chamber of Business (Sacob), which calculated the basic costs of remedies to racial inequities at R52 billion.

Sacob has cautioned that it would be hopelessly beyond



economic reach to provide all the remedies at a single stroke

Far better, it has argued, would be to face blunt economic realities and seek agreement on socio-economic programmes that may need to be spread over the next 10 years to meet the acid test of affordability.

The deeper the economic researchers probe, the bigger the problems that emerge - and the higher the cost of solutions.

From new masses of research, Dr Azar Jammine, head of the reputable Econometrix think-tank, puts the overall costs at R20 billion to R30 billion every single year over the next decade to start closing the gap in black/white living standards.

It makes the R2 billion special fund handed over to former Urban Foundation boss Jan Steyn to launch the Independent Development Trust last year - with the task of setting the wheels in motion towards black upliftment - look like a drop in the ocean.

Econometrix looks first at black housing

The shortage of formal housing alone stands anywhere between 800 000 and two million - and that covers no more than black families with incomes large enough to cope with the high demands of a formal building society mortgage.

Still to be counted are 7,4 million black people crowded into 460 000 squatter shacks - an average of 16 to each shack.

Even the provision of basic

housing structures to eliminate shortages by the turn of the century would cost over R5 billion a year - based on the provision of 250 000 modest new homes every year from now until the year 2000 and allowing for high population growth

Next comes the acute shortage of electric power lines to black homes

A nationwide count, taking rural as well as urban areas into account, shows a phenomenal four out of every five black households are still without electricity. That is about 20 million South Africans without even an electric light - let alone fridge, cooker or TV set.

Based on conventional connection costs, to link all the households to the power grid would take R14 billion - R1,4 billion a year if tackled in a 10-year programme

Health services have also left black families way behind

Jammine points out the shortage of hospital beds for black families is so acute that even if all 11 700 unused beds in white hospitals were made available to all population groups it would hardly make a dent in shortfall - though it would cost an additional R700 million a year just to provide the extra staff

The full scale of the problem comes into perspective with estimates showing that infant mortality in Soweto, at 80 to every 1000 newborn babies, is no less than four times higher than the average white rate - and is even worse in rural areas

The astronomical cost of solutions is one huge question mark.

Next come the education disasters caused by apartheid

Econometrix estimates no less than 45 percent of the black population have not been taught to read or write

Among black workers in actual employment, 30 percent have never been to school at all while 36 percent never went beyond primary school. Only 31 percent had at least some sort of secondary school education.

The shortage is put at 33 000 classrooms. If mobilised to take in black pupils, the 7400 white classrooms standing empty at a recent count would cover no more than one-fifth of total requirements.

The new studies quote Government estimates that spending on black education alone to bring about black/white parity would need to soar from a current R5,4 billion to at least R21,7 billion.

The Human Sciences Research Council calculated that if spending on black and white education had been levelled out in 1990/91, the overall cost would have been R37 billion.

Jammine says the crisis in education over the past 15 years has already left in its wake what he calls "a lost generation of young blacks".

In terms of gross domestic product per capita, even bringing white affluence into the count, South Africa was slotted as low as 48th down the ladder

Even worse, when items such as literacy and life expectancy were added, South Africa slumped to 62nd. The only countries ranking any lower were the 48 other countries in Africa and a handful of impoverished Asian and Central American countries.

# 44% of population living in poverty, says report

B/DOM 28/2/91

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Political Staff

MORE than two out of every five South Africans live in poverty and one in 16 lives in extreme poverty, it was disclosed yesterday

The findings, released in the Vatcom report, are the first official estimates of the extent of poverty in this country

The report said 16,3 million South Africans (44,5% of the population) were living below minimum living levels and 2,3 million were in dire need

The findings indicate levels of poverty that are far worse than ever officially acknowledged before and as bad as those in many poor African countries

They also emphasise the urgent need for massive social spending to alleviate poverty

The report said a recent study found that in SA and the TBVC countries (Transkei, Bophuthatswana, Venda and Ciskei) there were 16,3 million people living below the minimum living level

The Development Bank has estimated that in 1989 the total population of SA, including the TBVC areas, was 36,6 million and therefore the 16,3 million living in poverty constituted 44,5% of the population

## Malnutrition

"The minimum living level differs depending on region and family circumstances, but roughly speaking it is people whose total family income does not exceed approximately R600 per month," the Vatcom report said

"The study showed further that using anthropometric criteria, 2,3 million of the 16,3 million people, mainly pre-primary and primary children and lactating mothers, are in the dire need of nutritional support to combat malnutrition

"Quite obviously these people and those living below the minimum living levels are deserving of the first

call on any assistance"

It added that addressing the problem of poverty in SA was outside the scope of Vatcom's mandate, but government had appointed a working group on poverty under the chairmanship of E Calitz. Included in its terms of reference was the effect on the needy of the introduction of VAT on foodstuffs

The report recommended that the Minister of Finance be empowered to provide appropriate relief on a limited number of goods which were at present exempted from GST.

Direct budgetary assistance could also be provided to the needy outside the tax system, which would compensate them effectively for the increase in costs as a result of the introduction of VAT.

"The assistance outside the tax system to those persons in the welfare system could best be achieved by increasing social pensions, grants and subsidies to compensate them for the effect of VAT," the report said.



# SA cost of living on increase

Star 10/11/91  
— survey

Star Bureau

LONDON — South Africans, burdened with high interest rates and spiralling inflation, should take comfort in knowing that compared with other countries, they rank a lowly 59th.

A survey of 160 countries shows that the most expensive are Finland and Japan, followed by Zaire — which has 90 percent inflation.

According to the survey, the world's cheapest country is India.

## Leapt

A loaf of bread for which South Africans pay, on average, R1,75, costs R2,20 in Zaire, while a litre of petrol costs R1,45. For a R49,50 restaurant meal a Zair-ois would part with the equivalent of R90,05.

But the survey acknowledged that the cost of living had gone up in SA over the past year, the country having been previously ranked 68th.

Britain, which occupied 59th spot in the previous survey, has leapt 21 places to number 38, ahead of the US at 41.

China, which 10 years ago was the world's cheapest place, is now 18th on the global table of shopping costs.



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# Consumers steadily getting more impoverished - Sanlam

Star 30/1/91

The South African consumer has become increasingly impoverished since the early Eighties, Sanlam says in its latest economic survey.

It says contributing factors were the low growth rate, high inflation, sluggish provision of jobs and a higher tax burden.

Growth of employment in the non-farming sector — excluding the informal sector — rose by barely one percent a year from 1980 to 1989 while the economically active population grew by just below three percent a year.

An average economic growth rate of at least five percent a year would be necessary to accommodate all new job seekers.

"The buying power of the consumer's earnings is being decreased further by his growing tax burden and the increasing number of people who have to live from the available income."

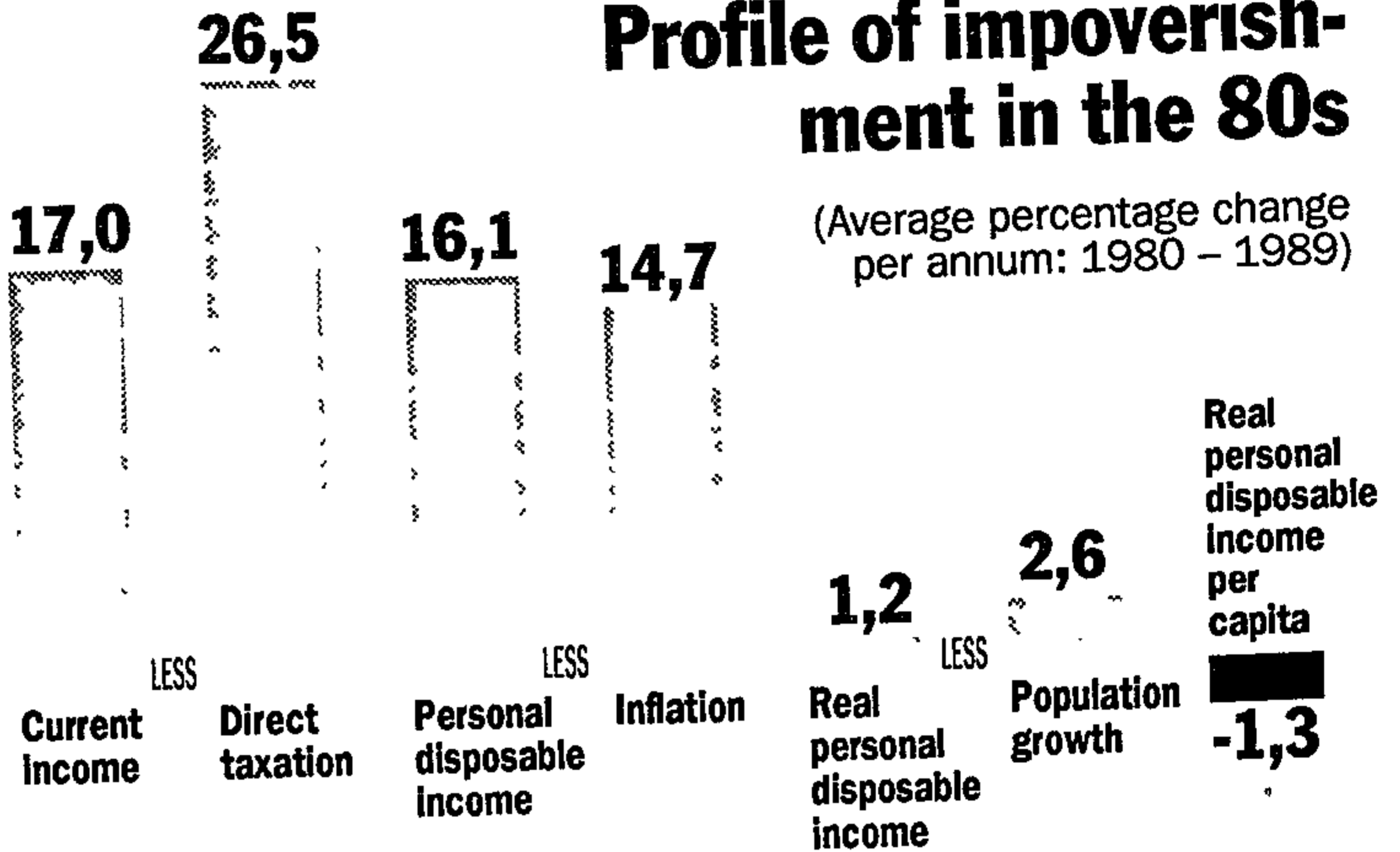
Taking inflation and a population growth rate of about 2,6 percent a year into account, real disposable income on average fell by 1,3 percent a year from 1980 to 1989.

Consumers have also had to face increasing indirect taxation like general sales tax, the fuel levy and customs and excise duties.

General sales tax has grown by about 29 percent a year in the past decade.

Events in the Middle East could delay the next upswing in the economy.

The decline in total economic



activity — which has been in progress for more than 21 months — is continuing unabated and extending to even more spheres of production.

Negative factors which could affect the economy this year include

- The already slow rate of expansion of the economies of the country's leading trading partners could be affected still further by the crisis in the Middle East, which would reduce the country's exports.
- Consumers' finances will weak-

en markedly as a result of more moderate wage increases, continued high inflation and high interest rates.

- Strict control over government spending will prevent economic growth from being stimulated to any significant degree by this sector.

Growth is expected to continue to be sluggish and a significant upswing in activity cannot be expected before early 1992.

No real growth in gross domestic product is envisaged.

The inflation rate is expected

to decline gradually, giving an average inflation rate of about 13 percent for the year, compared with 14,3 percent in 1990.

Because of the uncertainty surrounding events in the Middle East — reflected in a weaker performance of the balance of payments and possibly higher foreign interest rates — the chances are that a drop in interest rates will be delayed.

In the capital market long-term interest rates could experience upward pressure in the short term but will probably be lower by the end of the year — Sapa

# Wage shocker

*Sowetan 5/9/90*

A TOTAL of 68 percent of all African families live on less than R600 a month, according to research published yesterday by the South African Institute of Race Relations.

Writing in the latest edition of Social and Economic Update, Ahmed Jooma, a research officer at the Institute, shows that 68 percent of urban African households have an average household subsistence level

(HSL) of R564 a month, whereas 60 percent have an HSL of less than R500 a month

Jooma says in 1981 African workers collectively earned about half the amount whites did

Despite a narrowing in the wage gap between race groups - blacks are now earning 70 percent of the amount earned by whites - the difference in the income level between blacks and whites remains substantial.

Turning to the subject

of unemployment, Update notes that official figures estimate that there are three million unemployed people in South Africa. Two million of those are subsistence farmers and people in the informal sector.

Statistics indicate that about 400 000 people enter the job market every year, although few jobs are available.

Jooma's research suggests that this is because of the mismatch between the academically oriented

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system of education and the need for people with technical skills

Currently there are 13,6 million economically active people in South Africa and the homelands, 58 percent of whom are employed in the formal sector.

A total of 2,7 million blacks were employed in the informal sector in October 1989.

Despite poverty and poor living conditions, however, statistics prove that the infant mortality

# The crunch has come

Star 1/12/90

MAGNUS HEYSTEK

BRACE yourselves for the worst. Living standards have already recorded a very sharp drop this year and another sharp drop is expected next year.

The much-vaunted "soft-landing" of the economy is now turning into one of the longest post-war recessions since World War 2.

## Reserve Bank

While many people have already felt the "adjustment process in the economy" in their pockets, latest statistics from the Reserve Bank graphically illustrate just how bad the situation is. At the same time there is no indication that the Governor of the Reserve Bank has any intention of reversing his stance on interest rates. Interest is set to remain at current levels until well into the first quarter of next year in an effort to wring inflationary expectations out of the system.

only one culprit to blame a profligate government which tried to spend itself out of constitutional and political quagmires.

A second major factor has been the country's persistent inflation rate, which averaged 14,6 percent over the decade 1980 to 1989.

## Income

Whichever way one looks at it, there is no doubt that the average South African has been badly battered since 1980.

● While current income has grown by 16,6 percent per annum, direct taxation has increased by 22,9 percent per annum.

● Personal disposable income per capita after tax and inflation has declined by 7 percent over this time, equivalent to an average annual decline of 0,9 percent.

● Wealth per capita is set to decline by a staggering 3 percent this year.

● Average taxation (the ratio of per-

sonal taxation to income before tax) has increased from 7,5 percent in 1981 to an estimated 11,4 percent this year.

● The average propensity to consume (rather than save) has increased from 93,6 percent in 1981 to 99 percent. South Africans have become a nation of spenders rather than savers.

● The average South African now only saves 0,8 percent of his post-tax income as opposed to 5,9 percent in 1981.

Adam Jacobs, economist at Volkskas, says this will drop to a disturbing 0,4 percent this year.

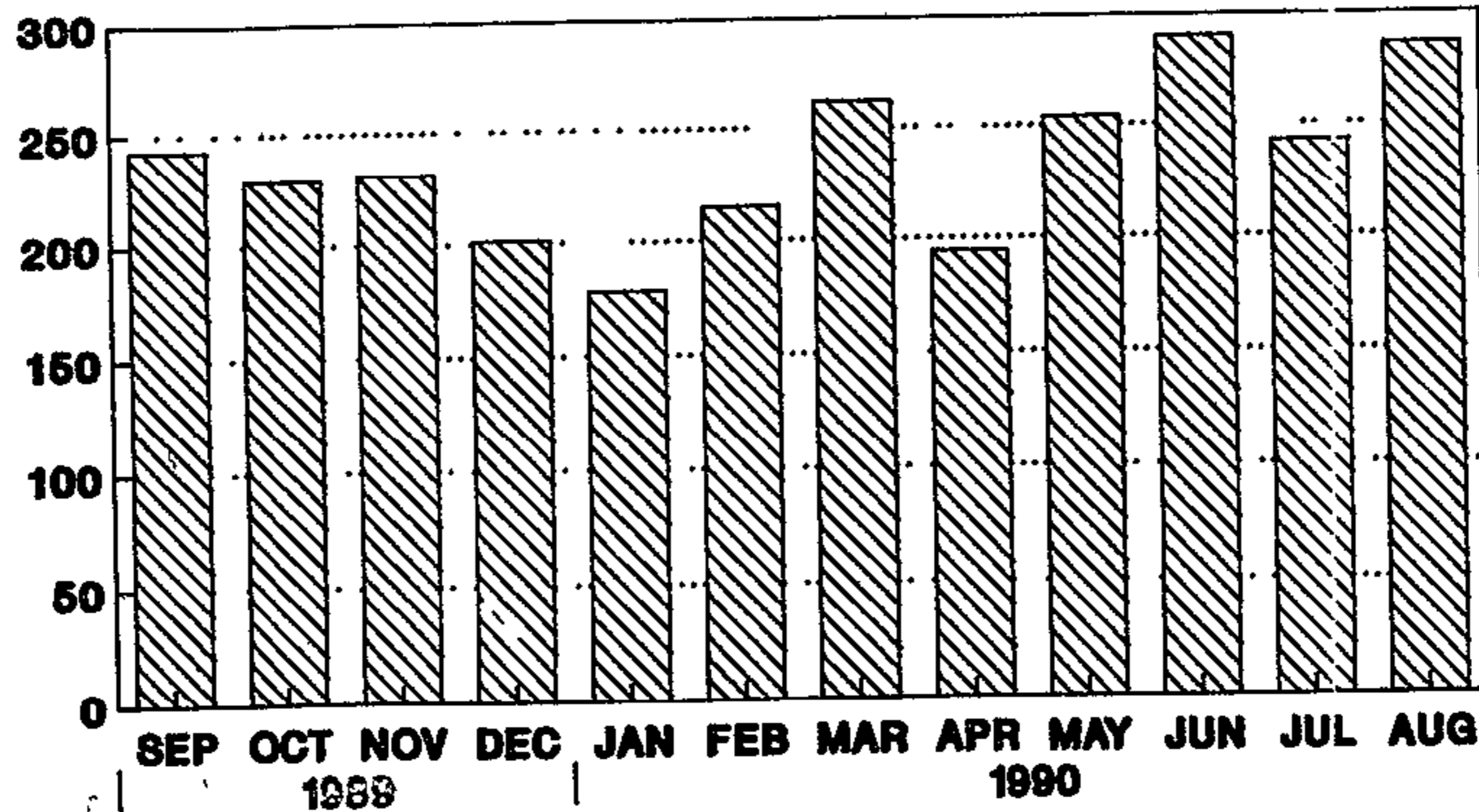
From these figures there is only one conclusion to be drawn: the financial position of the average individual has worsened considerably over the past eight years.

High inflation and rising taxation has forced people to save less and spend more in order to maintain their standards of living. But the well has run dry and this will be reflected by a further steady erosion of living standards in the years to come.



Star 242  
1/12/90

### NUMBER OF SEQUESTRATIONS SEPTEMBER 1989 - AUGUST 1990



▨ NO. OF SEQUEST.

SOURCE: INFORMATION TRUST CORPORATION

# Cost of 'equality' R52 billion

By Michael Chester

<sup>Star</sup> 13/12/90

The SA Chamber of Business has estimated the cost of bringing about equality in the basic living standards of blacks and whites at a staggering R52 billion

The estimate is based on achieving parity in such spheres as housing, education, health services and social pensions

The total works out to be almost three times higher than the entire annual income flowing into South Africa from gold bullion exports.

Sacob chief economist Dr Ben

Rensburg said in Johannesburg yesterday that the costs made it unrealistic to expect equality to be achieved at a single stroke

He was addressing a symposium held by the Konrad Adenauer Foundation and the Centre for Policy Studies at Wits University to examine the options open to South Africa in shaping a new economic system

He said the architects of a new South Africa should tell the public that it could take 10 years to reach objectives without devastating the economy

The Sacob approach was based on setting new targets for

stronger economic growth within a free enterprise system as the key to the creation of more wealth and more jobs

The ANC approach at the moment disregarded not only the basics of market-driven economics, but also the realities of economic structures

"If the pace of economic development lags behind the rate at which society demands social needs to be redressed," he warned, "the economy will grind to a halt or, even worse, regress to a Third World situation of poverty for all"

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Millions ~~(242)~~  
live on ~~(242)~~  
less than  
R600 monthly

*Sowetan 5/9/90*  
rate for all population groups is declining, according to the SAIRR.

The African infant mortality rate declined from 76 per 1 000 live births in the four years between 1970 and 1974 to 62 per 1 000 in the years 1983 to 1987

From 1980 to 1984, the infant mortality rate for Indians, whites and coloured people per 1 000 live births were 20, 13 and 57 respectively. - Sapa

# 64 teachers dismissed

SIXTY-FOUR primary and high school teachers in the Moutse area have been dismissed by the Department of Education and Training

A spokesman for the Moutse Teachers Union told the *Sowetan* yesterday that the teachers were served with letters of dismissal on Friday. He said they were expelled with effect from August 1 for allegedly being absent from work for 14 days.

The spokesman said the DET went ahead and dismissed the 64 in spite of its announcement that teachers who had not attended classes since July 10 would have their salaries adjusted as a reprisals.

A DET spokesman yesterday confirmed the dismissals. He said as far as the DET was concerned, the teachers would remain dismissed until they had proved that they were not absent from work for the said period. *Sowetan 5/9/90*

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RACE RELATIONS FIM 1419190  
**POVERTY FOR MOST**

**More than** half of all black families live on a monthly income of less than R500 a month — a figure 12% lower than the poverty datum line, or household subsistence level (HSL) of R564 for black families

The HSL is calculated by the Institute for Planning Research at the University of Port Elizabeth

Ahmed Jooma, a research officer at the Institute of Race Relations, writes in its

FIM 1419190 ~~242~~ (242)

latest *Social and Economic Update* that, despite a narrowing in the wage gap between race groups (blacks, coloureds and Indians in the same categories of work now earn 70% of what whites do, compared to half of white earnings in 1981), the difference in income levels between white and black South Africans remains substantial.

This is exacerbated by a mismatch between an academically orientated system of education and the need for people with technical skills, Jooma found. This meant that though 400 000 people entered the job market each year, there are not enough employment opportunities. There are now 13,6m economically active people in SA and the homelands, of which 58% are employed in the formal sector.

The significance of the informal sector is growing and by October 1989, 2,7m blacks were employed in it

Despite poverty and poor living conditions, Jooma notes, infant mortality for all population groups is declining. The black infant mortality rate declined from 76 per 1 000 live births between 1970 and 1974 to 62 per 1 000 from 1983 to 1987. From 1980 to 1984 the infant mortality rates for Indians, whites and coloureds per 1 000 live births were 20, 13 and 57 respectively — a decline in comparison with the period between 1970 and 1974 when figures were 38, 20 and 98 respectively



# Global action needed for attack on African poverty

OTA (Nigeria) — Former World Bank president Robert McNamara yesterday called for a global coalition to help Africa escape a triple crisis of agricultural stagnation, population explosion and environmental degradation.

Current development plans could not cope with threats to the continent so serious they concerned the whole world, he said.

"The industrial countries have ability to pay, they should shoulder the larger part of the burden," said Dr McNamara.

He was addressing development experts from 16 African and some Western countries at the Africa Leadership Forum, chaired by former Nigerian head of state Olusegun Obasanjo.

The main impetus for development must come from Africa but a coalition of African leaders and donor countries could support national and regional action, he said. More funds were needed to cut sub-Saharan Africa's fertility rate — the world's highest at 6.6 babies per woman — and limit already irreversible damage to over-exploited forests and farmlands.

The region's population, now 550 million, was set to outstrip that of China and reach 1.6 billion by the year 2020, compounding already tragic levels of infant and maternal mortality, malnutrition, illiteracy and joblessness.

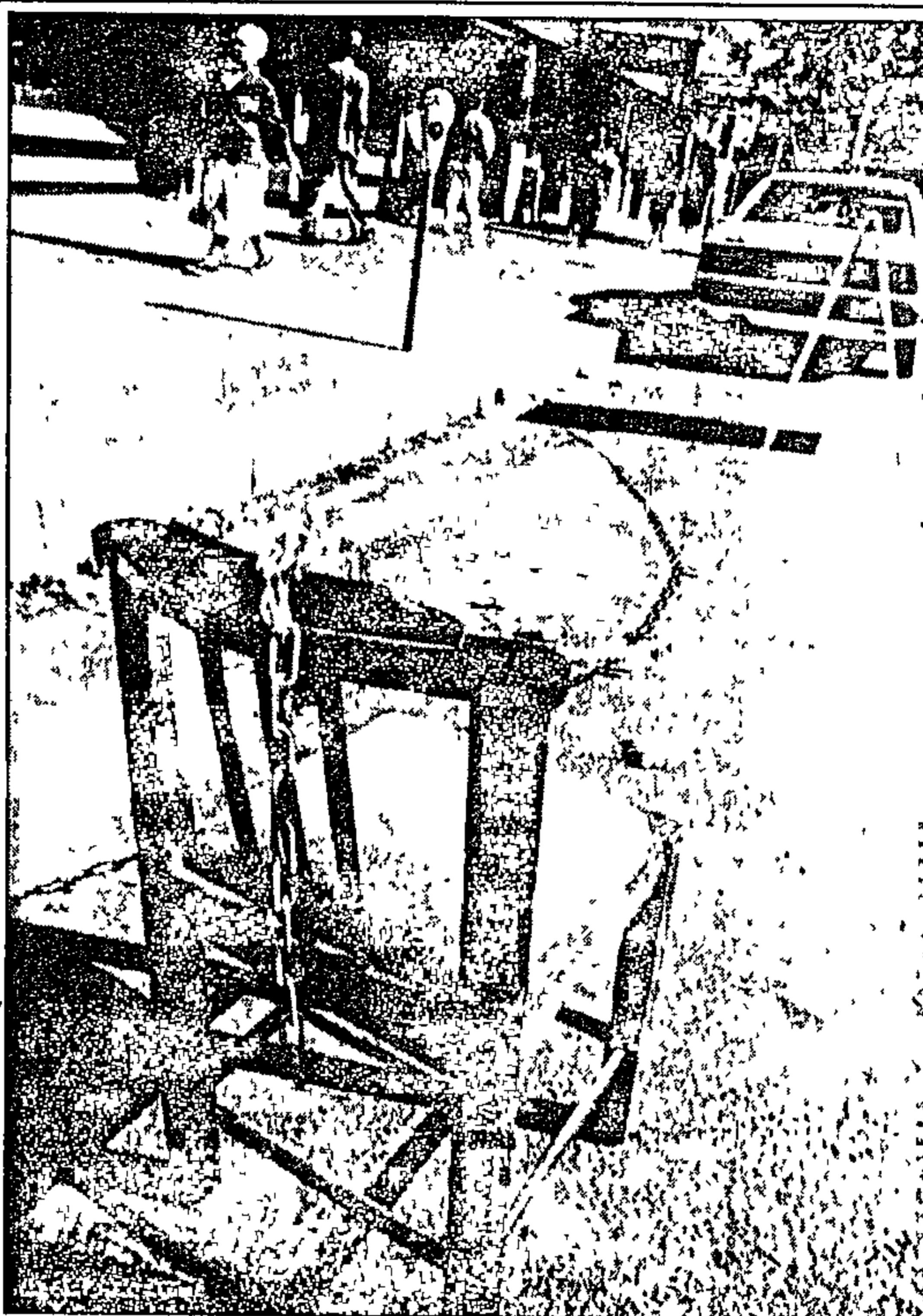
He said Africa had to transform the way its small farmers operated so that they could grow enough food and export crops to keep ahead of population expansion.

Family planning, health care, education and economic reform needed to be integrated in long-term plans to avert disaster.

He proposed an immediate doubling of the \$500 million (R1.25 billion) a year wealthy nations gave for environmental projects in Africa, plus an increase in annual official development aid to \$22 billion (R55 billion) by the year 2000.

Debt should be handled more imaginatively, which represented a bigger proportion of gross national product in Africa than anywhere else in the world.

"Donors too want to see a political environment which encourages effective resource allocation, rather than...wasteful spending and widespread corruption," he said. — Reuter



Chain reaction . . . or what the desperate Johannesburg motorist will do for a parking place? Actually, things are not quite that bad yet. This is how a Pretoria Street businessman reserved street space in front of his new shop to ensure that removal men could deliver furniture.

● Picture by Stephen Davimes

## EC, UN want CFCs banned by 2000

LONDON — The world's big chemical companies could come under renewed pressure at an international conference in London to speed up their search for alternatives to ozone-destroying CFCs.

A global pact already aims to cut output of chlorofluorocarbons (CFCs) to half 1986 levels by 1999.

But this month the 12-nation European Community decided to ban all CFC production by 1997, and, together with the United Nations, plans to push for a worldwide ban by the year 2000.

But chemical companies say

even existing targets for cutting CFC outputs may be impossible to achieve.

CFC-free refrigerators and air conditioners are still on the drawing boards, with no introduction date in sight.

At the 1987 Montreal Protocol, 56 countries, accounting for 90 percent of the world's CFC consumption, agreed to the 50 percent cutback.

UNEP, organiser of both the London and Montreal conferences, now wants the elimination of CFCs by the year 2000 — Sapa-Reuter

# Eastern Europe faces hordes of jobless

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Dole queues seem set to become part of everyday life in those countries making a rapid switch to a market economy

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"About half of them," Mr Kadar replied, in a quip that illustrates the size of the problem facing the region's newly elected governments

In East Germany, preparing for monetary union with West Germany, unemployment rocketed more than 50 percent last month to 100 000

Economists predict much worse could come after East Berlin abandons its almost worthless currency and introduces the West German mark on July 1

The chairman of the East German parliament's economics committee, Jochen Steinecke, has said up to 700 000 people could be unemployed for up to three years. Other government members say more than a million of the country's 16 million population could be thrown out of work. Poland, which introduced a radical austerity programme on January 1 to switch to capitalism, had 443 222 people — 3.3 percent of the workforce — unemployed in May

Deputy Labour Minister Jerzy Szreter says that figure could treble by December

Czechoslovak forecasters predict that up to 100 000 people could be unemployed by the end of the year, many of them young people

Czechoslovakia, like other former East-bloc countries, is setting up a network of labour exchanges to help the unemployed find work

Unemployment benefits are being introduced in several countries but the new governments warn that a change of attitude among the workforce is necessary for a successful transition to a market economy

Polish Finance Minister Leszek Balcerowicz said earlier this month that some companies were passive and had not learnt to win new customers by producing better and cheaper goods

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In Eastern Europe, the right to work was guaranteed under the communist regimes swept aside in the last year. Joblessness, portrayed by the region's former rulers as an evil of capitalism, has become a cruel reality. RICHARD WILLIAMS reports from Vienna.

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"These people have never competed for a job," he said "They've got five or six doing the job of one"

Only Rumania and Bulgaria, where former communists remain in power, appear to buck the trend towards higher unemployment

**E**CONOMIC analysts say Rumanian President Ion Iliescu, whose National Salvation Front won a sweeping victory in a general election last May, will encourage private enterprise but not policies which could lead to a big rise in joblessness

Mr Iliescu himself has said "The market economy does not only have virtues. It leads to polarisation of wealth and unemployment"

Bulgaria, in stark contrast to the gloomy predictions for its northern neighbours, could avoid the threat of large-scale unemployment, some economists say

Deputy Prime Minister Nora Ananieva has warned that the restructuring of the Bulgarian economy and the privatisation of some factories and companies could increase the number of unemployed

Some 20 000 Bulgarians are out of work but economists say there is a shortage of labour in many sectors of the economy, such as agriculture

They note that 350 000 people of pensionable age are still working and vacancies will occur when more than 17 000 Vietnamese contract workers brought in by former hard-line leader Todor Zhivkov return home over the next two years — Sapa-Reuter

A massive wave of poverty-stricken humanity could swamp cities and towns unless the government, black leaders and trade unions accept that steps must be taken immediately to improve the lot of the country's unemployed millions. The pernicious legacy of apartheid is a mass of angry, unemployed, uneducated, unhoused people, writes Weekend Argus Reporter GRAHAM LIZAMORE.

**N**O matter how ingenious the creators of the new South Africa might be, the future of the country will depend on how the new leaders are able to pacify the millions of young people of the "lost generation" for whom poverty, disease and crime have become a way of life

It is a generation that grew up rejecting education in favour of the revolutionary law of the townships where stonings and necklacing were as much part of their curriculum as maths and English were to white schoolchildren

Added to this group is the teeming river of people flowing to South Africa from the bankrupt homelands — further monuments to apartheid

Professor Francis Wilson, head of the South African Labour and Development Research Unit at UCT, who headed the Carnegie inquiry into poverty in South Africa has warned that poverty had to be dealt with to prevent the country "blowing apart"

He estimated unemployment at between 25 and 33 percent of the population — almost ten million people

Recently Dr C F Garbers, president of the CSIR, estimated unemployment at "around 38 percent"

In the greater Cape Town area alone, the UCT Urban Problems Research Unit estimated that more than 50 000 new formal sector jobs would have to be found annually. A report by the Cape Town City Council estimated that about 270 000 workers were unemployed in the metropolitan area

The President of the Cape Town Chamber of Commerce, Mr Gerry Ferry warned the government to shift the focus of economic development away from decentralisation towards the major urban areas, to assimilate the vast number of "new urbanites"

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South Africa's population of about 38 million will at the present growth rate of about 2.7 percent a year increase to 50 million in ten years' time and to a staggering 60 million in twenty years' time

Economic growth has become a matter of life and death for this country and its people

Standing in the way of any real growth in the short term, economists and industrialists have identified sanctions, high interest rates, political instability and the growing power of the trade unions

Sanctions have become the only viable internationally acceptable strategy the ANC can use to lever the government towards a one-man one-vote dispensation

It is a Catch 22 situation. The ANC has to maintain pressure on the government but at the same time it knows the longer sanctions remain and foreign investment is kept from the country, the greater its risk of inheriting a permanently crippled economy unable to employ, let alone create employment

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He said this would help to re-employ workers in the building industry and create housing

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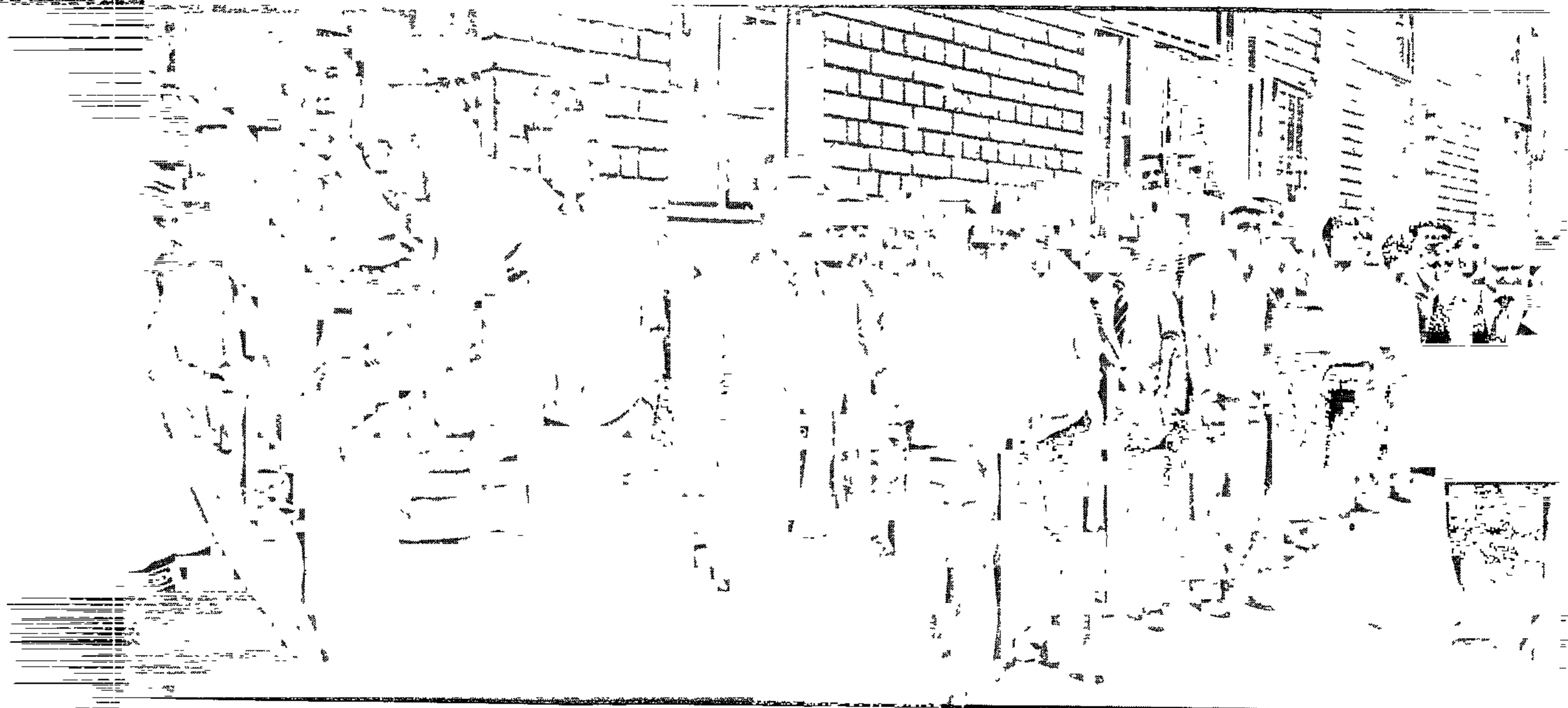
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The economist, who asked not to be named, said an economic growth rate of at least 2.3 percent was necessary. However because sanctions were being used as a political strategy to bring about change, this growth could not be met

"If sanctions are removed there will be an inflow of capital and creation of jobs. But at the moment the situation is very bleak because political instability is incompatible with job creation." He added that he doubted whether people of different political persuasions in the townships would be able to tolerate one another

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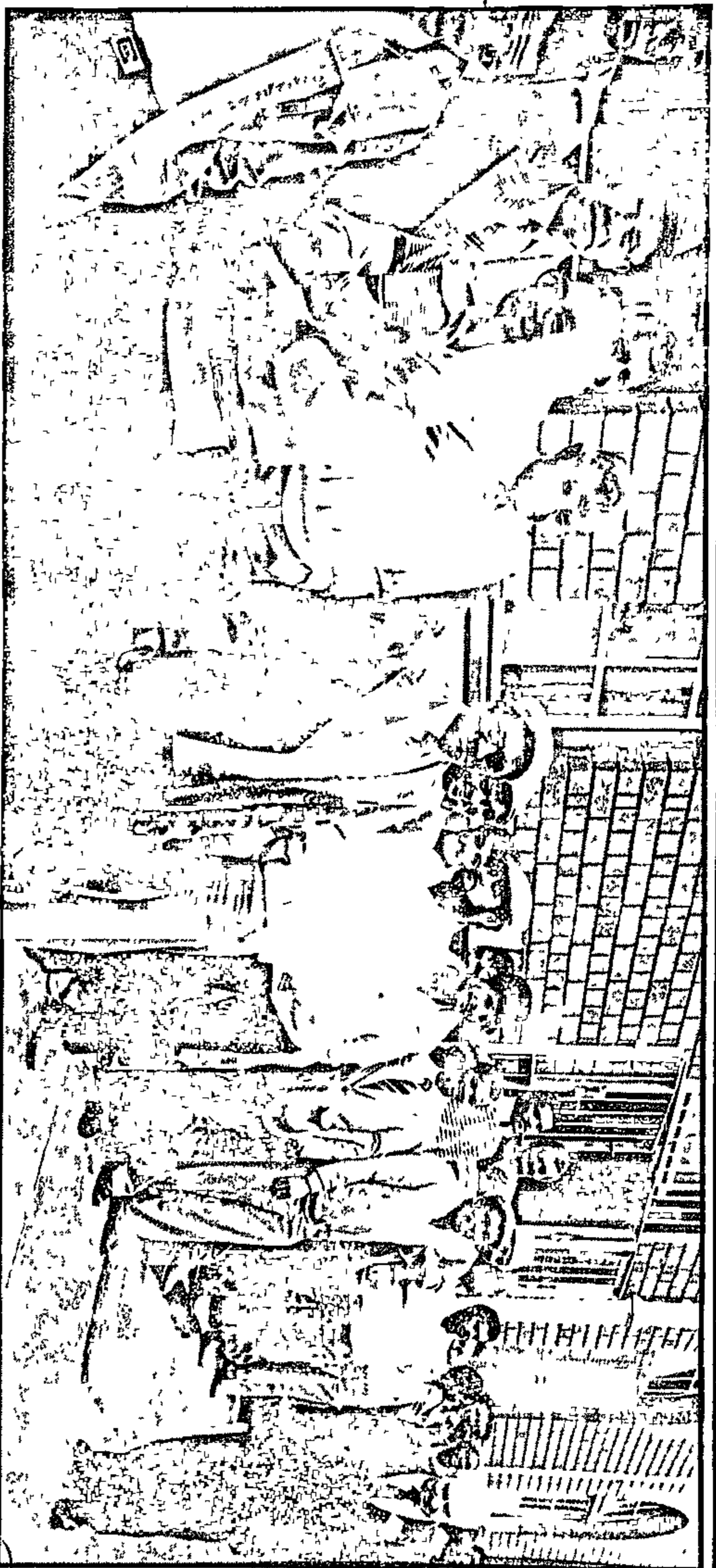


# Poverty threatens to 'blow SA apart'

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# POVERTY threatens SA apart!

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## Eastern Europe faces hordes of jobless

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Sapa-Rentier

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# Township life major cause of stress

STRESS caused by unfavourable township living conditions is one of major factors leading to lack of effectiveness and low worker productivity, according to University of the Witwatersrand industrial psychologist Jackie Duke.

She says factors such as unrest, poor living conditions, the education crisis and high unemployment are the main culprits.

Consultant group Mandate will hold a two-day seminar on August 20 and 21 at the Sandton Sun hotel to address this issue. Speakers will include experts in the fields of industrial psychology, management and the labour movements.

Duke said about 76% of township residents experienced disturbance of sleep due to unrest in residential areas. Other factors leading to lack of sleep were noise plus fear of theft and eviction.

In a survey conducted recently, Duke stated: "The biggest stressor in the en-

Poor living conditions, education crisis and unrest are the major causes of low worker productivity and ineffectiveness, reports

**MZIMKULU MALUNGA**

tire survey was finding somewhere to live." She said about 20% of the black work force lived in shacks. In Soweto alone, there were about 43 000 people living in shacks, which housed an average of five people.

Sixty percent said a member of the family was unemployed.

She found that township stress tended to worsen disputes between labour and management and that it intensified conflict between groups on the shop floor.

The fact that most township residents lived far from their working areas was a major stress factor. About 80% of black workers spent an average of two-and-a-half hours daily travelling to and from work.

Duke suggested solutions to the problem — companies needed to

● Expand existing policies to incorporate guidelines regarding community issues such as pay during stayaways and detentions

● Promote a realistic and pragmatic attitude among managers. "Confrontational managerial styles, whereby management identifies 'instigators' or intimidators and involves security police in labour matters, only serve to escalate the already high levels of labour/management conflict."

● Respond to personal needs and aspirations of their black employees

Duke said organisations needed to be sensitive to the stress black managers experienced — while they were often regarded as "sellouts" by workers, black managers were also unable to win the trust of white colleagues, who frequently questioned their allegiances.

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# Income gap even wider

By DESMOND BLOW

C/Pers

17/6/90

(24) (23)

MORE than half of all black households in South Africa had an income of less than R400 a month up to April last year, according to statistics published by the South African Advertising Research Foundation (SAARF).

Less than three percent of white households had a similar income.

A further 23 percent of black households had an income of less than R700 a month, while only about five percent of white households earned that amount.

Despite efforts during the past decade to narrow the gap between white and black incomes, statistics show there is still an enormous difference. In fact, the ratio has increased since 1985 due to increased unemployment - more among blacks than whites, economists say.

The figures are based on a survey of about 16 400 households - urban and rural - from August 1988 to April 1989.

The extent of the wealth gap is further illustrated by statistics that show that less than three percent of black households earn more than R2 000 a month, while nearly 69 percent of white households have that income.

The figures are part of the latest All Media and Products Survey (Amps) which is done annually for the media and advertisers.

The survey shows the average monthly white household income was R3 297 compared with R521 for

blacks - a ratio of 6,3 to one. In the 1985 survey the ratio was 5,8 to one.

Rand Merchant Bank economist Rudolf Gouws said unemployment would continue until there was an upswing in the economy.

"As long as interest rates remain high there cannot be an upswing and I believe this will take a year to 18 months."

Gouws said ANC deputy president Nelson Mandela's call for continued sanctions was not having a real effect, as overseas investors would be unwilling to invest in South Africa until the country stabilised and they knew what sort of economy to expect in future.

Nationalisation and the talk of nationalisation had frightened them off, he said, and no large-scale investments could be hoped for until the talks between the government, the ANC and others had been finalised, which could take several years.

However, the government's political concessions had assisted the economy in that the government was now able to turn over some of its foreign debt.

# Poverty should be addressed alongside conservation - lecturer

BY MATHATHA TSEDU

NATURE conservation will remain a pipe dream in rural areas unless the poverty of people due to socio-political policies is addressed. University of Venda lecturer, Mr Edward Mabogo, said yesterday

Ndou, Mabogo, a botany lecturer, said the denuding of whole areas of all indigenous vegetation was taking place at an alarming rate in the

vive, people cut trees indiscriminately for firewood. Any attempt to stop this practice by the authorities without a cheap or even free alternative would be useless as people would simply defy, Mabogo said.

position of conservation demands that have no relevance to the needs of the affected societies

any Government scheme was generally viewed as advancing the struggle against white oppression and exploitation

vive in that poor settings, so down go the trees for firewood and down also go rare species of animals for meat," Mabogo said.

It was further pointed out that industries with high pollution outputs were being allowed in Venda without ordinary safeguards for the environment. Suggestions made included the recycling of rubbish and education of people and their involvement in planning conservation strategies.

**Pollution**  
The symposium heard about the large-scale pollution of the green forests and rivers due to the growing trend of consumerism. Rubbish dumping was cited as one

Addressing a symposium on human beings and their environment held at the University campus at Thohoyandou

Villagers find themselves for into overcrowded areas with no resources in order to survive, ordinary law-abiding citizens are being made criminals by the im-

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# NEW VAT Tax spend VAT cash

## How govt plans to spend VAT cash

CMT T-1's  
15/6/90

(244)

By AUDREY D'ANGELO  
and Political Staff

**THE government yesterday unveiled a plan to introduce a Value Added Tax (VAT) system to replace GST by October next year — and pledged that the poor would be compensated with upliftment programmes under the new system.**

Revealing the new package yesterday, the Deputy Minister of Finance, Dr Org Marais, said VAT would address GST's two shortcomings — tax evasion and double taxation — and would lead to economic growth and increased spending on upliftment programmes.

Under GST, firms register for exemption when buying stock or raw materials and the tax is finally charged when it is sold to the consumer.

Under VAT the tax is paid by suppliers of raw materials and at every subsequent stage. But the tax is refunded to everyone except the final consumer.

Dr Marais told a press conference that if the new tax could be introduced without exceptions he expected that the rate could be reduced to below the current 13% of GST, while the government would still collect the same amount as under GST.

The system he would propose by way of a bill to be published in Parliament on Monday would be open to public comment for the next four months.

The bill proposes

- A tax on consumption not borne by the consumer alone
- To remove the present exemption on foodstuffs
- A zero (non-taxable) rating to international travel, financial services, medical services, private sales (including cars and houses) and education services, and
- To introduce VAT at between 10 and 13%

All companies and individuals whose annual turnover is more than R50 000 will have to register for VAT. If they enter into transactions in which goods or services are supplied, they must charge VAT.

While VAT will be imposed on all services, it is proposed that medical and educational services be

exempt.

Referring to the removal of the tax exemption on food, Dr Marais said the "new system is not intended to make the poor worse off than they are now."

He said it was "no secret that the government has to achieve parity in social services" (between races). Money raised by imposing VAT on basic foods, estimated at R420 million, will go towards raising the level of black and coloured old-age pensions. Feeding schemes to compensate the poor will start almost simultaneously with the new tax.

Admitting that the change-over to VAT from GST might push up inflation, Dr Marais said his department would launch a campaign in September to prevent unnecessary price increases.

"We are targeting the problem that people may misuse VAT to raise prices," he said.

In fact, the minister said, some prices should come down in cases where manufacturers and suppliers had cosied in GST.

Explaining why it was proposed to change over to VAT, the minister said GST provided too many opportunities for tax evasion.

He did not know how much extra money the government would get when VAT was introduced. "We do not know the magnitude of tax evasion," he said.

He did not yet know the level at which VAT would be introduced. This would depend on the number of exemptions it was finally decided to make.

It would be more than 10%, since below this level VAT would not be a viable tax. But he hoped it would be below 13%, the present level of GST.

Dr Marais emphasised that no political system that failed to tackle the problem of poverty would work in the new SA.

"The priority will be to look at the poor people of this country," he said.

The Congress of SA Trade Unions (Cosatu) and black business were among those being consulted and they had been invited to be represented on the committee which would make the final recommendations.

A special committee (Vatcom) comprising senior politicians and academics has been set up to consider any changes recommended to the draft bill.

# Probe gives reasons for school failure rate

## Political Staff

AN inquiry ordered by the House of Representatives administration has found that cultural and socio-economic backlogs, disrupted family lives and inadequate facilities are responsible for the high failure rate in coloured schools.

The main findings of the inquiry were disclosed in Parliament when the chairman of the Minister's Council of the House, Mr Allan Hendrickse, delivered his policy address in his capacity as Minister of Education and Culture

Mr Hendrickse said the scientific inquiry had recently completed its report.

It found that the high failure rate was because of the "the great cultural-socio-economic backlog in our community, which delays the development of young children so that more than a third of school-beginners are not ready for school"

As a solution, a practical school-readiness test had been developed with the aim of ensuring these children received preparation education to prepare them for entry into formal education.

Another reason for the high failure rate was because "disrupted families and the low level of cultural-socio-economic conditions in the community also inhibited the learning activities of many pupils in the higher standards".

A modular system had been recommended to limit this so that education could be organised into smaller units

Proposals concerning greater differ-

entiation in education, increased involvement of parents and homework being supervised at school were being investigated

Mr Hendrickse said the inquiry also found that incomplete classroom accommodation, particularly in secondary schools, resulted in teachers not being fully used. Also, teachers were often forced to teach classes so large they could not be controlled

However, the administration did not have sufficient funds to address the accommodation problem

Another reason for the failure rate was the serious shortage of adequately-trained teachers in various subjects in secondary schools.

He said the department was investigating this problem and that there were 1 845 unqualified and 15 659 underqualified teachers in service.

The inquiry also found that too much emphasis was being placed on academic subjects and there was insufficient attention paid to the technical and other professional subjects needed for pupils who were not interested in tertiary education

Mr Hendrickse said the inquiry also recommended that all education in the country should resort under one ministry of education with the aim of better co-ordination and the achievement of real equality.

Meanwhile Mr Jac Rabie (UDP Reiger Park) has said the Department of Education and Culture in the Administration of the House of Representatives was "in a state of total chaos" Speaking during the debate on the House's Education and Culture Vote, he said teachers were striking and exams were not being written. The root of the problem was a shortage of money

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# Social defects in towns need to be tackled with creativity

EXTRACTS from an address by Mr J H Steyn, chairman of the Independent Development Trust, in Johannesburg this week.

LIKE so many South Africans, I have been hugely encouraged by the recent change in the political climate. There certainly appears to be an irreversible series of shifts towards a free, participative and more open society.

Again along with many South Africans, I have become increasingly concerned about the enormous socio-economic problems any new political dispensation will have to address.

I have had to ask myself whether compromises, understandings between political leaders, and indeed democracy itself could hope to satisfy the explosion of expectations and fears that will accompany the emergence of a new constitution of South Africa.

## New flexibility

I think it is obvious that a need exists — simultaneous with constitutional negotiations — to identify and exploit parallel opportunities for policy negotiations around some of the critical issues of development, socio-economic inequality and economic justice. Here again I have been gratified that there has been similar thinking in both the government and other political actors and parties.

The announcement last week in Parliament by the responsible minister that five models for constitutional reform at local government level will be put to the Cabinet indicates a new flexibility. It is also important to note his undertaking that the future constitutional dispensation in each area would have to be negotiated in local "indabas" involving all political interests.

Nationwide, 61% of black households and nearly 40% of

coloured households currently cannot contribute financially towards housing.

They would, therefore, in the absence of some form of intervention, be excluded. Calculations for the major cities are less depressing in the sense that proportions unable to afford housing are almost halved, but with 30% to 40% excluded from the housing market by virtue of levels of poverty, the inevitable effect on our cities is obvious.

The closest we can come to solutions is a very careful combination of policies which still have to be formulated, often with the clear knowledge that the consequences are not clearly predictable.

## Undesirability

Whether anyone likes it or not, part of the "solution" in virtually all cities with high levels of poverty, lies precisely in features which we tend to regard as failures, such as shack settlements. This sounds like an awful thing to say and I do not say it lightly.

These settlements do, however, serve a purpose inasmuch as social undesirability depresses the market values and the costs of services to within reach of the poor.

Rentals in such settlements are far below the interest and redemption costs which would be required to replace them.

Squatters on buffer strips around townships and cities the world over are occupying land with theoretical market values and theoretical full servicing costs which the squatters could not remotely afford.

Part of the solution to urban problems is to cope creatively with social defects and not to adopt an absolute or perfectionist attitude, thus throwing the baby out with the bath water.

## Urban poor

If one accepts that there are no single element solutions, that there will always be a shortage of money and that there are no heroic agencies or policies which can overcome constraints which have never been overcome before, certain broad principles on urban policy for South Africa suggest themselves.

- All sectors must contribute to the improvement opportunity: the public sector, the private sector, organised labour and the urban poor themselves.

- We cannot afford the artificial structures of divided urban tax bases when even the collective tax base of central and local government will be insufficient to address the problems in our cities.

- We, and here I refer particularly to whites, must stop deluding ourselves that we can afford cities that look like

Frankfurt, Dallas or Zurich when we have a per capita GNP closer to that of Mexico, Brazil and Turkey. We have for too long used legal devices like the black urban areas legislation and Group Areas to hide our realities.

- This means that we have to become accustomed to adapting our lifestyles to urban complexity, inter-cultural and inter-class juxtaposition, a situation far closer to that of Rio than to our delusive image of an unrealistic, hyper-privileged past incapable of being sustained save through oppressive and unjust measures.
- Finally, because all segments of our urban population are going to have to compromise on what they have had in the past or what they think they are entitled to, we need general political legitimacy. We need to involve the leaders of all classes and interests in working towards a solution.

## More affluent

Here we should face two realities. The first is that continuing urban instability, while it may have had its place in the past in heightening awareness of the high levels of deprivation, is bound to undermine our urban economies.

The second is that unless the more affluent South Africans are politically involved in the design of solutions they will do what so many of their counterparts in the United States have done — take the local taxes they pay and the jobs they create beyond the city limits or, in our case perhaps, even out of the country.

These principles clearly indicate the need for comprehensive metropolitan negotiations, re-integrated cities with a single tax base, general participation in local government, judiciously targeted central state assistance in addressing backlogs in infrastructure and housing, special projects for the purchasing and bulk servicing of land for site-and-service housing and a number of other policy initiatives.

# New strategy beats cash target

2/8/89 Pretoria Bureau (242)  
The market-oriented approach of the Human Sciences Research Council (HSRC) has paid off, with the organisation exceeding its "ambitious financial target" for last year by R76 000.

According to the HSRC annual report published today, 1989 was marked as a year of adaptation in which the body generated 62 percent more of its own income and kept rising costs down to 16 percent.

This was achieved at a time when the parliamentary grant shrunk from 94 percent of the Budget in 1986 to 74 percent. It is expected to be cut an-

other 6 percent this year.

The organisation aims to earn 50 percent of its budget by 1993, a spokesman said.

The HSRC undertook 875 research projects in 1989, and had more than 98 000 interviews with respondents.

A further 145 clients contracted the HSRC to design reliable questionnaires and surveys.

HSRC president Dr. Tjaart van der Walt said 1989 "could be characterised as a year of adaptation and change, from a predominantly discipline-oriented to a market-oriented, needs-sensitive institution".

## Living costs are rising

(242)  
242  
242

THE Household Subsistence Level for black families rose 7,1 percent over the six months to March according to the University of Port Elizabeth's Institute for Planning Research

Although the figure indicated a gradual slowing in cost increases for essential items, food prices - particularly of fruit, vegetables and dairy products - remained exceptionally high it said

The HSL is an estimate of the basic living level of a black family of six, covering food, clothing, fuel, lighting, cleansing, rent and transport

A more realistic measure of minimum income is the Household Effective Level, which is 50 percent higher *Sowetan* 25790

The institute said the sharpest increase in the HSL - 9,8pc - had been registered in Port Elizabeth

Brits, Durban and Springs had also experienced increases of over nine percent

The increase in Johannesburg (2,6pc) was the lowest in the country But with an HSL of R620 it remained one of South Africa's most expensive cities, being exceeded only by the Reef towns of Germiston (R631), Springs (R624), Benoni (R640) and Boksburg (R645)

Cape Town (R629) and Kimberley (R630) were also among the most expensive centres, while the cheapest was Maritzburg (R544)

# HSRC is a 'concerned builder of bridges' in SA

By Claire Robertson  
Pretoria Bureau

The Human Sciences Research Council (HSRC), 21-years-old this month, enters its age of majority more determined than ever to be a "concerned bridge builder" devoted to the needs of all South Africans

"The council must serve South Africa and all her people by providing decision makers at all levels with the necessary objective scientific information," says Dr Tjaart van der Walt, HSRC President, in the 1989 annual report released today

Without wishing to be prescriptive, the HSRC could provide facts which enabled development and change to be managed. It was "well-equipped to analyse problems and recommend solutions," he said

From toy boxes for less-privileged children to a groundbreaking analysis of the constitutions of world governments, the HSRC this year undertook or

sponsored research in line with the intention stated in the first annual report 20 years ago "To lead to the fuller satisfaction of the needs and aspirations of the different population groups"

## Projects

The HSRC conducts research into all aspects of the human condition and this year's 875 research projects included.

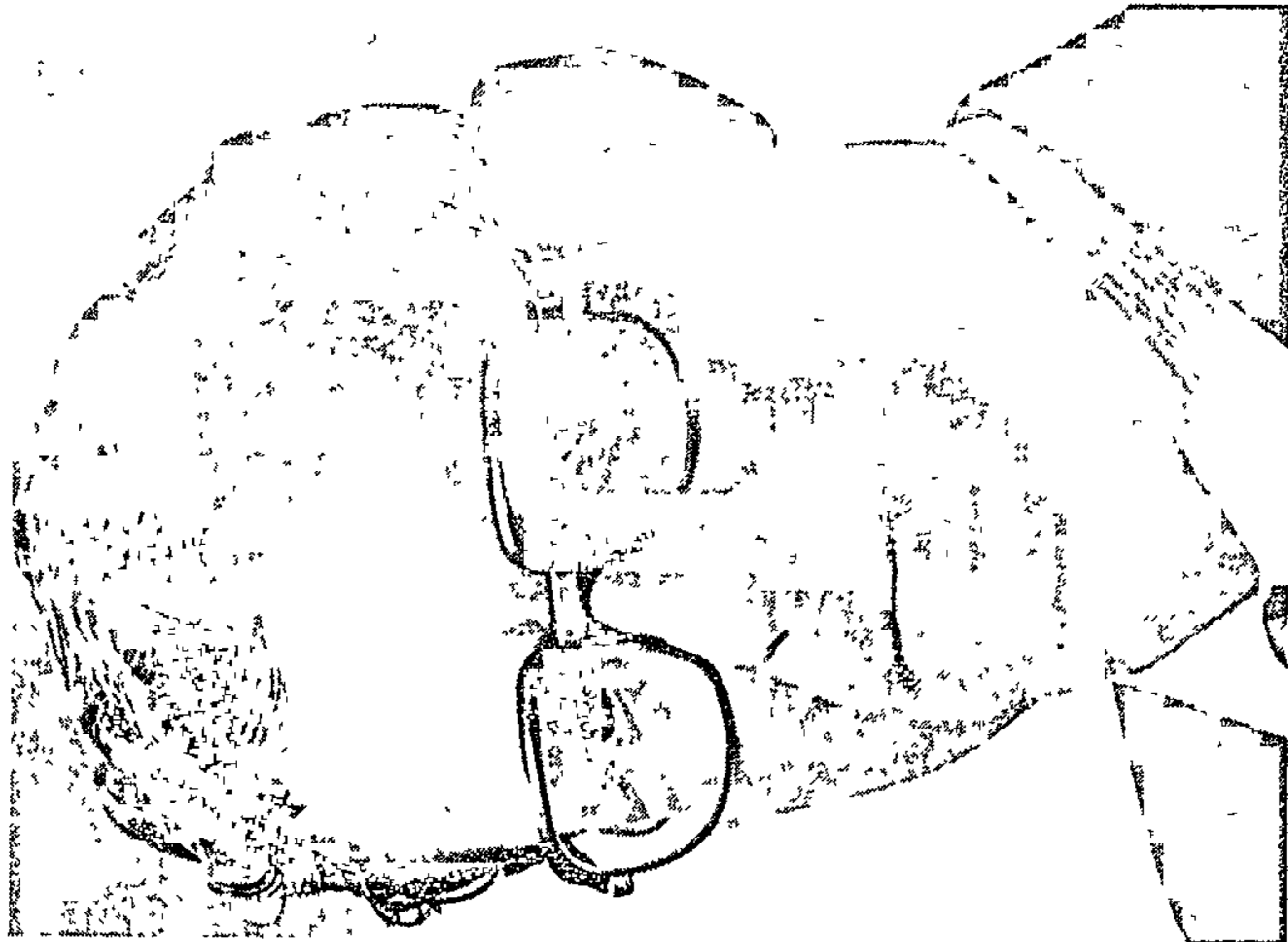
- The development of a toy box to "enrich the life of deprived pre-school children" so that they will be able to cope with school.
- The development of several school-readiness and career guidance programmes
- Management development programmes, including ones aimed specifically at women in leadership positions, career planning and training in presentation techniques.
- A training programme in negotiation techniques
- Research into the quality of life of the aged

- The launch of a computerised data base of the world's most important constitutions to allow for complex analysis

Snap surveys on public views of political events were undertaken at short notice, and the HSRC prides itself on the fact that election result predictions last year were "more accurate than those of its competitors", said Dr van der Walt.

The council also investigated "social phenomena" such as the perceptions of the homosexual community regarding Aids, the release of offenders after imprisonment, adaptation problems of immigrants and alcoholism, drug dependency and teenage pregnancy

"The achievement of the goals will also depend on the HSRC's national and international acceptability as a credible scientific body which can reflect an objective image of South African society and act as a concerned bridge builder"



Dr Tjaart van der Walt, president of the Human Sciences Research Council. "to serve the entire South African community"

NEWS

# Black families' expenses rise 7 pc

**Labour Reporter**  
**Household Subsistence Level (HSL) for black families rose 7,1 percent over the six months to March, according to the University of Port Elizabeth's Institute for Planning Research**

Although the figure indicated a gradual slowing in cost-increases for essential items, food prices — particularly of fruit, vegetables and dairy products — remained exceptionally high, it said.

The HSL is an estimate of the basic living level of a black family of six, covering food, clothing, fuel, lighting, cleaning equipment, rent and transport. A more realistic measure of minimum income is the Household Effective Level, which is 50 percent higher.

The institute said the sharpest increase in the HSL — 9,8 percent — had been registered in Port Elizabeth. Brits, Durban and Springs had also experienced increases of over 9 percent.

But with an HSL of R620, it remained one of South Africa's most expensive cities, exceeded only by the Reef towns of Germiston (R631), Springs (R624), Benoni (R640) and Boksburg (R645). Cape Town (R629) and Kimberley (R630) were also among the most expensive centres, while the cheapest was Maritzburg (R544). Clothing, on average 10 to 20 percent dearer, was a major factor in cost rises, as were transport and electricity costs.

phenotypes, including behavior. All biologists believe that a phenotype is the product of interaction between a genotype and an environment. Likewise, human sociobiologists will readily accept that, for humans, the man-made part of the environment—human society and culture—is an essential determinant of human action. Environmentalism only becomes an untenable and obsolete dogma when it is counterpoised to a "hereditarian" position (which hardly any biologist espouses), and held to be the overwhelmingly important determinant of behavior to the exclusion of biology.

Sociologists still largely think in terms of heredity versus environment, nature versus nurture, instinct versus learning. Biologists (and increasingly psychologists) have long recognized that these false dichotomies are a liability to understanding, as indeed are most dichotomies so dear to the human mind. The universe is one, and the scientific mode of thinking is monistic, not dualistic. Yet, the human mind, perhaps because of the functional asymmetry in the two hemispheres of the brain, has a universal propensity to think in binary oppositions. Sociologists are no exceptions, and unfortunately, they have applied their Manichean dualism to a false antinomy between culture and nature, between genes and environment, between man and

the intelligence not to set themselves up against biology.

Early social science evolutionists also labored under another serious limitation: they had to rely on what was still an extremely sketchy and unreliable ethnographic data base. Indeed, they shared with their contemporaries in biology most of the failings for which their successors attacked them. It was only in the last quarter century, for example, that evolutionary biology moved away from group selection and became resolutely reductionist as to the level of selection.

It will be beyond the scope of this paper to tell the story of how the sciences turned their backs to biology and evolution, and how the new orthodoxy of sociocultural environmentalism emerged. Such a task would include a review of the main currents in Western social thought: the Durkheimian school in France and its Radcliffe-Brownian offshoots in British anthropology; Watson and the behaviorists in American psychology; Boas and students Mead and Benedict in American anthropology; Weber, Toennies and German sociology; Parsons, Merton and the American neo-Marxists, the semioticians, and the self-styled neo-Marxists, the

# Pretoria heads the 'most affluent metropolis of SA' list

By Dawn 12/3/90  
Business Day Reporter

PRETORIA is the most affluent metropolitan area in SA, with significantly more people enjoying a higher standard of living than on the Reef, in Johannesburg, Durban and Cape Town.

This is one of the conclusions of an analysis of the annual All Media and Product Survey (Amps) by the SA Advertising Research Foundation in conjunction with the CSIR and the HSRG, using a newly devised statistical tool, a living standards measure (LSM).

The LSM — or index of sophistication — is based on 13 variables selected from a number on the AMPS questionnaire. They

included ownership of a fridge, television, or microwave and whether respondents were rural dwellers or supermarket shoppers.

Results show 16% of Pretoria residents fall into the highest of eight LSM categories. By contrast, only 11% of Reef, 10% of Johannesburg and 9% of Cape Town residents fall into the same bracket.

Using the LSM index, Pretoria is ranked at 338, the Reef at 219, Johannesburg at 203, and Cape Town at 77 for the top LSM bracket.

Marketing service manager of Times Media Ltd (TML) Gail York said this probably reflected the concentration of public servants, enjoying the multiple benefits of state salary packages, living in Pretoria.

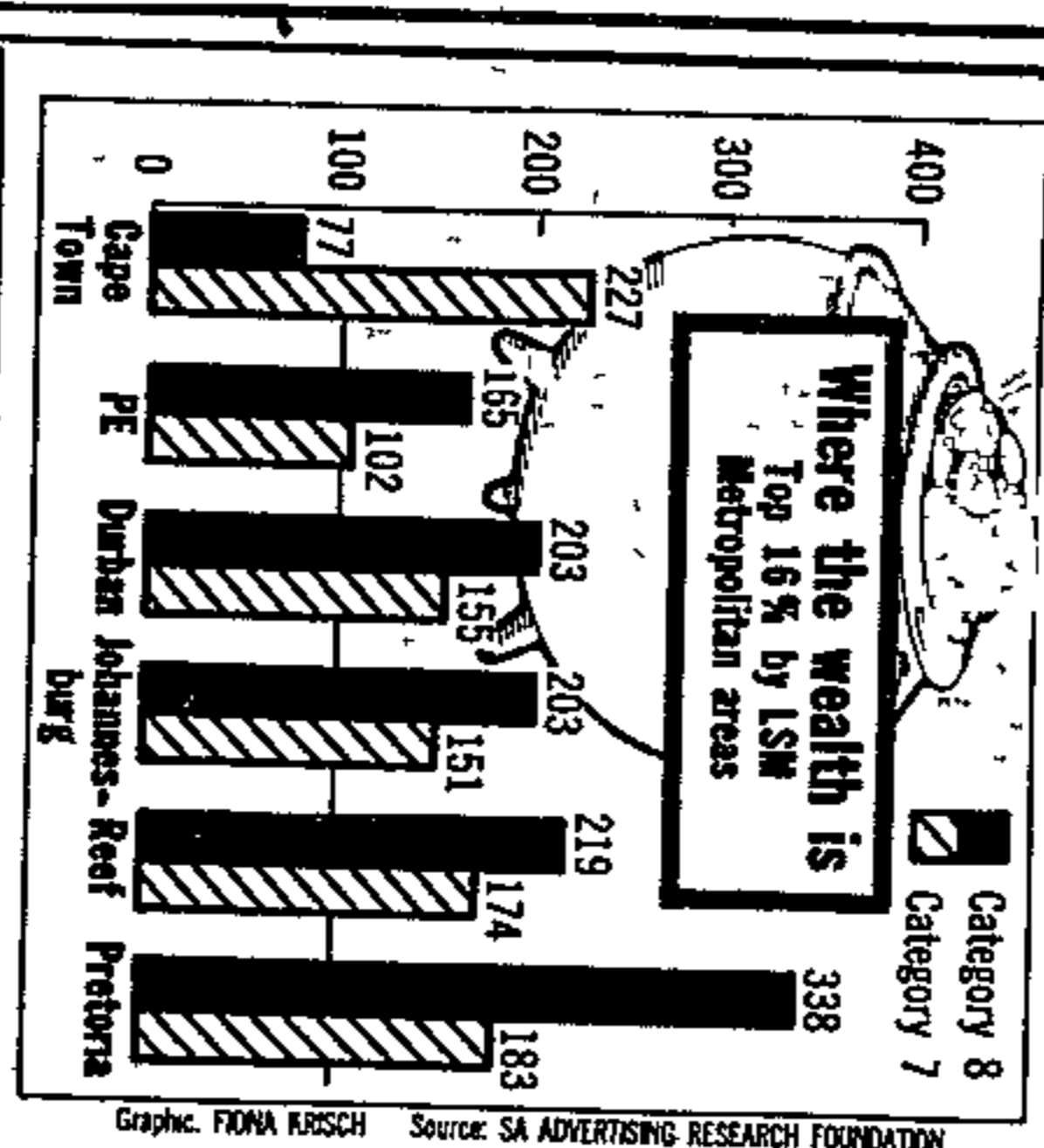
In the LSM categories seven to four, results show wealth to be evenly distributed inside the PWV area — 62%-66% of the population — but with 70% of Cape Town residents in this bracket.

The survey confirmed living standards bear a strong correlation to race groups, with 26% of whites and no blacks in the highest LSM category. Conversely, there are no whites and 37% of blacks in the low-

est category. There are 94% of Asians and 46% of Coloureds in the upper four.

High household income correlates strongly with high LSM. Of those who earn between R4 000 and R5 999, and more than R6 000 per month, 89% and 91% fall into the top two LSM categories. As for the lowest income group, 57% of those who earn less than R399 per month fall into the lowest LSM category.

York said that analysis of the Amps through the LSM gave a far more accurate socio-economic picture of SA than the survey's specific reliance on income and income groups to gauge standards of living.







Mr Mashinini . . . "It's all very well to talk about poverty — but it's different to do something about it."

# A man of action tackles poverty

30/4/90 242

"Apartheid can be scrapped tomorrow but that won't erase hunger and poverty. If you are starving political change won't feed you. Poverty in South Africa's rural areas is becoming chronic. The crisis is here now."

Mr Mpho Mashinini (32), newly appointed deputy director, relief and development, for Operation Hunger, is a man who does not want to talk about change, he wants to create change.

"I believe in protest, slogans and shouting — but you can also scream the odds and not get anywhere. I believe in making things happen. It's all very well to talk about poverty — but it's different to do something about it."

The Soweto-born former activist believes that he is taking his place beside executive director, Mrs Ina Perlman, at a critical time in South Africa.

Mr Mpho Mashinini believes deeds and not words are necessary to fight rising poverty in South Africa's rural areas, reports **DAWN BARKHUIZEN**

"Everybody is speaking about change. It is important that the majority of South Africans, those in the stricken rural areas, are not left behind.

"Poverty levels outside the cities are critical — and these conditions are spreading rapidly into urban areas. There are more than one million squatters in Johannesburg alone that need feeding. With unemployment at more than 70 percent in some parts of the country and rising, our youth is doomed."

In spite of his poor background (he was one of 13 children growing up in a matchbox

house in Soweto) and his one year as a political detainee, Mr Mashinini feels as much commitment for the whites now knocking on his door in droves, begging for food, as he does for the blacks.

"Whites are also victims of this society. Apartheid is now backfiring to such an extent that everyone is feeling the effects — both black and white.

"Each day when I drive out into the rural areas I am more and more horrified by the extent of the suffering. Children are dying. South Africans have got to wake up now."

As former national development co-ordinator for Operation Hunger, Mr Mashinini is one of two deputies to be appointed to Mrs Perlman. Cape Town-based Mrs Roselle Frasca will take the post of deputy director, administration and fund raising co-ordination, in January.

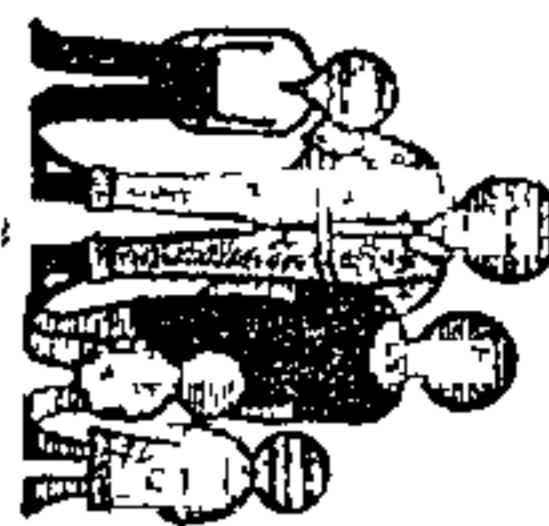
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BACKGROUND

The Star Mor

### MINIMUM CASH NEED OF BLACK FAMILY OF FIVE

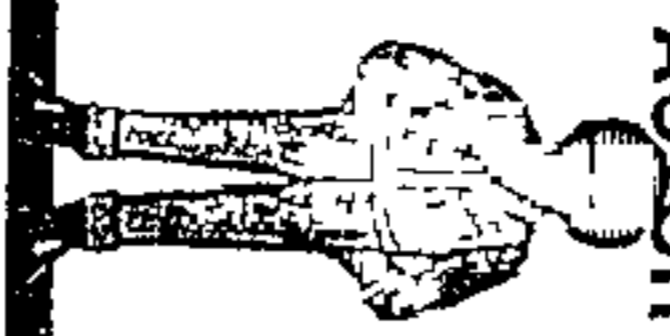


BARE ESSENTIALS		SUPPLEMENTED	
1980	1989	1980	1989

R151,03	R591,10	R195,28	R788,16
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### AVERAGE MONTHLY PAY PACKET OF BLACK FACTORY WORKERS

1980	1989
R224	R786



Graphic: The Star

# A black family of 5 needs R591,10 a month to survive

The rock-bottom survival budget needed by a black family of five living in Soweto or elsewhere around Greater Johannesburg has climbed almost fourfold since 1980 to a minimum of R591,10 a month, according to new surveys.

Survey results — based on analyses by the Bureau of Market Research at Unisa — are being released to business firms by the Johannesburg Chamber of Commerce and Industry as guidelines to the hard realities faced by low-income families.

The new level of basic budgets compares with a national average of R549,98.

It describes what the researchers call the minimum living level (MLL) — the theo-

retical utter necessities of running a household.

It strips spending to the bare essentials needed to maintain reasonable health, acceptable standards of hygiene and just sufficient clothing for a black couple with three children.

The biggest single item is the food bill, worked out by nutrition experts as a minimum of R295,74. Clothing takes R90,88. Rent and services take R60,14. Transport — commuting to work or school and trips to the shops — takes R37,41.

Add a couple of extras that many white suburbanites consider as essential rather than anywhere near luxuries — such as a rare treat on recreation or entertainment — and the basic budget jumps to R788,18.

That is what the researchers

**MICHAEL CHESTER** charts the crippling 400 percent increase in a minimum household budget since 1980.

call a supplemented living level (SL). For the statistical record, the climb in the raw MLL budget between a count in 1979 and in August 1989 equalled 291 percent.

It was heavy going to stay ahead of inflation, which over the 10-year period surged as much as 298 percent on average for lower-income families.

Even for the fortunate breadwinners with settled jobs, rather than standing in unemployment queues or trying their hand in informal sector ventures, it has also been hard going to keep pay packets abreast of the price spiral.

Mr Keith Lockwood, econo-

mist at the SA Chamber of Business, believes that a reasonable measure of trends is provided by official statistics on the movement of average black wages inside the manufacturing sector between 1980 and 1988 — the last year to be analysed in detail.

Here one sees that the average pay packets of black factory workers increased from R224 to R786 — or 250 percent.

The only cold consolation for them was that the percentage gain was better than the one for white factory workers, which trailed at 187 percent.

Then again, though, one may need to look at the pay packets in blunt cash terms: the black average of R786 had to stand comparison with a white average of R2 742.

"At least," says Mr Lockwood, "the standard of living of black families was making some headway, however modest, while white living standards were slipping."

Minimum living costs for low-income black families were also as high along the East Rand, according to separate surveys conducted by the Bureau for Economic Research at Stellenbosch University.

When the BER counted what it calls a household subsistence level in September, it found the basic budget to be R551,61 in Boksburg, R529,88 in Germiston and R523,95 in Benoni.

The total slipped down to R450,04 in Maritzburg and to its lowest at Peddie in the Eastern Cape, where it was estimated at R396,19.

**POVERTY LEVELS** *W/mt 113-713/91*

MORE than two out of every five South Africans live in poverty and one in 16 lives in extreme poverty, according to the Vatcom report released this week. *(242)* *(188)*

The report said 16,3-m people in South Africa and the TBVC countries (Transkei, Bophuthatswana, Venda and Ciskei) were living below minimum living levels and 2,3-m were in dire straits. On the Development Bank's estimate of the total population of South Africa and the TBVC at 36,6-m, those living in poverty constitute 44,5 percent of the population.

"The minimum living level differs depending on region and family circumstances, but roughly speaking it is people whose total family income does not exceed approximately R600 a month," the Vatcom report said.

# Poor Whites join the bread line

By Darius SANAI

WERK en Oorleef does not look like a poor white's charity hostel. Sitting on a quiet street corner in Pretoria North, being gently mocked by the grocery store next door with its brash hoardings, it looks like another sleepy junk shop in another sleepy suburb.

But a junk shop it isn't. On any weekday, Werk en Oorleef (Work and Survive) contains human beings, sitting among the rubble of old clothes and old memories fathers wondering how they will afford their sons' school clothes, children staring bemused, wondering why mummy says she can't afford fruit any more.

Kleintje Perrera, the organisation's sharp-witted director, started the shop in September 1984, after working as a factory manager.

"There was an economic downturn then, and many people lost their jobs. We thought it was only temporary. We were wrong."

She says the hostel is only for white people in need of help. "Of course, we don't turn anyone away, but that's how it works out."

About 4 000 jobless families visit Werk once every month to receive basic food rations — supplied by Operation Hunger — and to see if Kleintje knows of any jobs in the area. The answer is almost always "no."

As recession continues to bite, more and more white families face the spectre of poverty. **DARIUS SANAI** visited what has become the last bastion of hope for many Pretoria families who cling to life below the bread line.

and skirts line the back wall.)

Three pretty blonde children were sitting quietly by their mother's knees. A lubby youngster was grappling with his distraught mother's handbag, and a dignified looking old man was chatting silently to a young woman I avoided the stares of the others.

Michel Britz was the first to volunteer to talk. A quiet, well-groomed man of 35 with a trim beard and soft, ginger hair, he had a sad face and the gentle manner of a priest.

Britz worked for 17 years as a salesman for Toyota, Nissan and VW before being retrenched last year.

"I just don't know what I'm going to do," he says. "Jobs are so difficult to come by. I don't care about myself. I can go a day without food. But the children need to eat, they need their daily meals. They need to go to school."

The Britz family moved from its town house to a rondavel on the edge of Pretoria. He has sold all his furniture and most of his other belongings. He has no savings left.

"Finding a job seems impossible," he says. "There were others who talked, and all had different stories. Some just seemed hopeless cases. The illiterate children of farmers, their existences made redundant by new machinery or drunken husbands, or by economic downturns under governments they did not understand. Others were simply unfortunate, speaking, like Britz, of the agony of the decision to go to Werk and receive charity."

There was Richard de Beer, the sprightly 68-year-old who drove the Pretoria-Johannesburg bus for 20 years, still fit and strong. De Beer is still looking for work — "I would do anything just to get a little extra money" — but he knows deep down that he won't be employed again.

Anna Scheepers, a white-haired 47-year-old with clear, child-like azure eyes set in the haggard face of an old woman, her silent 20-year-old daughter next to her is crippled by asthma and is unable to work. Her first husband died, her second has been in jail for five years.

"You will try and help me? You will?" she pleaded as I left.

But there is little help for these people beside the monthly food parcel. Families and friends are either suffering similarly — all of De Beer's eight children come to Werk — or, in cases like Britz's, have become distant and closed.

"As long as you have money, you are welcome," says Britz, with no trace of bitterness, only sadness.

"Now, I'm not — not any more."



Doing some shopping at Werk en Oorleef in Pretoria

Picture: DARIUS SANAI

# Many in SA 'pitifully poor'

CAPE TOWN — Gloomy but frank acknowledgement of the extreme levels of poverty in SA were made yesterday by Finance Minister Bar-end du Plessis

In 1989, some 44% or about 16-million people of the population, including the independent homelands, were estimated to be on very low incomes

He said "One of the most daunting socio-economic issues is the great gap in development and income between people and communities

"SA has one of the most unequal distributions of income in the world, but still more disturbing are the millions of South Africans who have to make do with pitifully low incomes

"And there are similar disparities in the ownership of assets," Du Plessis said

## Education's slice up 27% to R16bn

CAPE TOWN — Government has earmarked R16,1bn for education in the next financial year, with R6,833bn going to blacks — a 27% increase on last year

The Labour Party's boycott action also bore fruit as they will receive a one-off R90m and the House of Delegates R75m to address pressing needs

White education spending will total R5,950bn — an increase of 6% while the budget for coloureds totals R2,303bn (13,9%), and for Indians R977,3m (18,6%)

Finance Minister Bar-end du Plessis said that for years education had been the largest single component in the Budget, and in the 1991/92 tax year it would account for 19,2%. This was before accounting for the contingency reserves and transfers to the TBVC states

He said R1bn had been earmarked for capital projects last year in a special fund,

Political Staff

"It is the considered judgment of this government that the means to securing justice for all lies in the process of purposeful even-handed treatment, alike in the political, the social and the economic fields"

The theme of the 1991/92 budget was therefore "equity through growth and stability", Du Plessis said

The Budget Review, prepared by the Finance Department, stated that the extent of poverty in SA was "still extremely great"

"Poverty in SA has increased over the past decade and a half

"This is reflected in the fact that the real gross domestic product (GDP) per capita has fallen since 1981 at an average annual rate of 1,5%

Unemployment in SA had shown an upward trend since the mid-1970s

The decline in the labour absorp-

Political Staff

of which R750m had been set aside for black educational capital projects

Of this R188m had been spent and the balance would be used this year

It was proposed an extra R269m be added to the rest of the R1bn fund — with R212m for capex in black education

Special steps would be taken to ensure buildings would be erected with the support and co-operation of local communities, and if possible they would involve work-creation projects

It was generally accepted that the massive backlogs in education demanded great cost effectiveness, with the emphasis on skills-orientated education, he added

A direct contribution by parents and local communities was likely to play a larger role in future educational financing

tion capacity of the economy had assumed daunting dimensions.

In 1965-1970, 73,6% of the increase in the labour force was absorbed by the formal sector, but this fell to 62,7% between 1970 and 1975, 35,4% between 1975 and 1980, 21,9% between 1980 and 1985, and "an exceptionally low level of 12,5%" between 1985 and 1990

"The implication is that only about 125 out of every 1 000 new entrants to the labour market in 1985 to 1989 were accommodated as fulltime employees in the formal sector

"Unemployment, therefore, has largely become entrenched in the South African economy as a structural problem"

The review said evidence submitted to Votcom showed some children younger than 12, the aged, social dependents, and certain categories of unemployed needed urgent direct aid

## Deficit above IMF recommendation

ANNOUNCING a generally expansionary Budget yesterday, Finance Minister Bar-end du Plessis forecast a deficit before borrowing above expected levels and the IMF's suggested ceiling. At 3,4% of GDP, the deficit exceeds the suggested IMF ceiling of 3% and 1990's 2,7%.

Du Plessis has drawn on a R950m bonanza "emerging from the diminishing need for strategic stockpiling" for financing the deficit and a R206m input from the 1990/91 surplus after borrowing.

The remainder, R8,962bn, constitutes 3% of GDP, "unfortunately above the level of capital spending", estimated at 1,8% of GDP. Moreover, loan redemptions will be about R5,4bn, bringing the net financing requirement to R14,4bn.

The plan is to finance it chiefly from

ANDREW GILL

domestic stock sales to the amount of about R14bn, including investment by the Public Investment Commissioner (PIC).

"In the light of the relatively modest loan programmes of other public sector institutions, the state's financing requirement this year should reinforce the slightly downward trend that long-term interest rates have begun to display."

The R10,12bn requirement, said Du Plessis, was the result of "all the fiscal commitments and tax reform in particular tight economic circumstances".

The tax concessions will result in a loss for government of R1,77bn in fiscal 1991/92, while supplementary spending proposals account for another R2,15bn of the R85bn budget.

He said some of the resources released by the SAUR had to be rerouted to the maintenance of law and order and a total of R4,63bn was now provided — an increase of 53%

Rising crime, the need for certain security steps and the mass action campaign required a larger visible police presence with the emphasis changing from "reactive" to "pro-active", he said

The Minister said in the light of the high priority given to efficient policing and the need for emergency police stations, R20m of the R950m which had been set aside for urgent capital requirements was earmarked for this purpose

## MPS' salaries to rise by 27%

CAPE TOWN — Parliament's 308 MPs, who last year earned salaries worth R26,2m, will get a pay rise of 27,4% worth R5,6m

The overall cost of parliamentary salaries, including pensions paid to MPs, administrators and members of the President's Council, will rise by 22,7% to R104,4m

The latest pay increases for parliamentarians follow a double pay rise last year which increased MPs' salaries by 25% and Cabinet Ministers' by 17%

While no details of MPs increase were provided Ministers are to get R187 000 a year, including a reimbursive allowance of R40 278, and deputy ministers R135 000 a year, including a reimbursive allowance of R30 930

paid spuapivir |

As recession brings the axe down on more and more jobs, renewed focus is falling on the plight of black families struggling to stay above the breadline. Inflation adds to the problem. So do worries about the impact of VAT on food bills.

THE basic household budget needed by the average black family in Soweto to keep living standards above the breadline has been pushed well over the R1 000-a-month mark by the inflation spiral.

New studies run by Industrial Relations Information Surveys show that the minimum monthly income needed to sustain a black family of five on what the researchers call "a very modest level a shade over the breadline" jumped from less than R985 in 1988 to about R1 199,71 in a 1990 count.

Nationwide, the average basic budget required by a black township family of similar size has climbed from R809,72 to about R1 033,26 over the past three years.

The cost of living in Soweto was surpassed only in Mamelodi, outside Pretoria, where minimum income requirements were put at about R1 245,86 month.

The data has been collected in a joint exercise between SPA Consultants and Business Performance Strategy researchers. The information is widely used in socio-economic studies and as guidelines at trade union/employer wage negotiations.

**Budget levels**

SPA researcher Andrew Sparks explains that the budget levels leave little room for frills considered as virtual necessities by most white families, let alone scope for any luxuries.

All essential items have been hit by inflation. The accompanying table on the right explains where the cash goes in Soweto.

The average budget needed to cope with food bills alone for five members of a family has grown from R304,16 three years ago to R352,85.

The small amount allocated as discretionary spending - covering items such as cigarettes, drinks, cinema visits, newspapers and magazines - last year

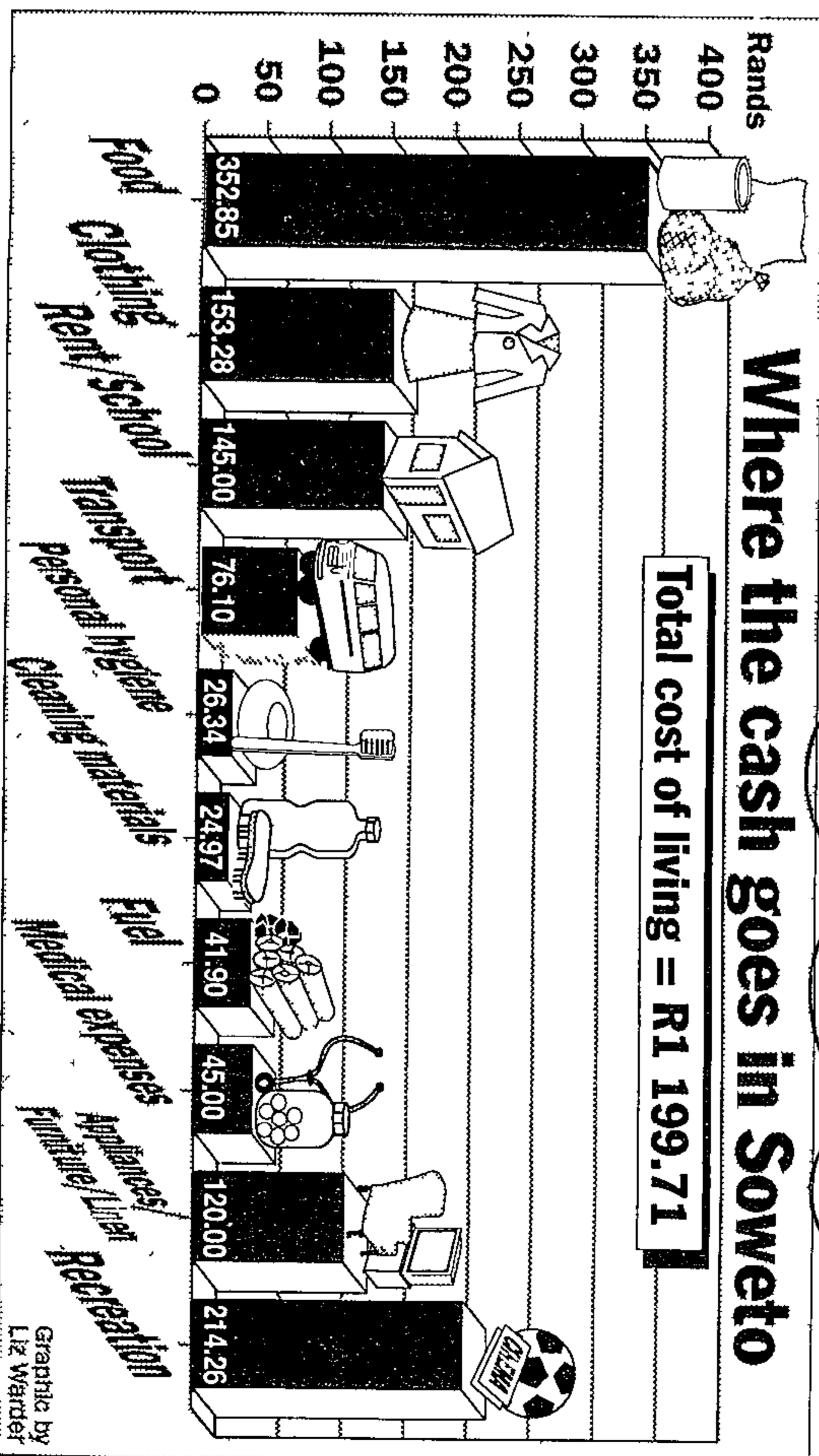
# The agony of high food bills

*Soweto 24/4/91*

*242*

## Where the cash goes in Soweto

**Total cost of living = R1 199.71**



Graphic by Liz Warder

Housewives League national president Lynne Morris has estimated that VAT will load an extra R50 a month on average food bills.

The impact was put into broad perspective when deputy Minister of Finance Org Merais, until his recent switch to Minister of Trade and Industry, calculated that no less than an additional R420 million

*Most families wait in anxiety to hear how the Government proposes to save their budgets*

Sowetan  
21/11/91  
21/11

remained stuck at only R214,26 a month for the entire family

The modest overall average budget was still beyond the reach of many black families.

The researchers found that national average wages of labourers last year, even allowing for increases of 20 percent or more, still stood no higher than between R219,93 a week in the metals industries and R123,37 a week in jobs with catering firms.

According to the Institute for Planning Research at the University of Port Elizabeth, the rock-bottom budget needed by a black family of six to eke out a standard of living even down at subsistence level had grown to a minimum of at least R581,22 in the Johannesburg metropolitan area by the latest count.

It was higher still in Germiston (R586,50), Benoni (R591,62), Boksburg (R608,02), Cape Town (R591,78) and Kimberley (R600,07). It hit a peak of R630,06 in Windhoek.

### Average wages

The institute put the national average wages of black workers with jobs in the manufacturing sector at R842 a month at a 1989 count

In surveys last year, the Bureau of Market Research at Unisa found that the monthly budget needed to keep a family of six on a bare minimum living-level in and around Johannesburg increased from R730,02 in February to R772,64 by August as inflation took its toll

Allowing for snippets of recreation and entertainment - R51,42 for the whole family - and a few more rands to spend on basic items to lift families to supplemented living-levels, Unisa estimates minimum needs to be at R1 018,44 a month

The next issue in the pipeline bothering black families perhaps more than most white families is what impact the new Value Added Tax system will have on household budgets

What happens when the entire family food shopping basket - with the sole exceptions of mealie meal and brown bread - has to carry the load of the 12 percent VAT tax? Lots of basic items have so far escaped the GST net that will be scrapped on September 30

was expected to be collected from families on or below the breadline as VAT east its wider net. (All the extra cash, he said, would be ploughed into social upliftment programmes.)

Marais also explained that the Government was investigating the creation of programmes targeted specifically at the poor - such as feeding schemes for children and pregnant women, mobile feeding units for the aged and new subsidies for services.

In the countdown to the introduction of VAT, most black families in struggles with the breadline wait in tense anxiety to hear how the Government proposes to save their budgets from money agony.

*Sowetan Correspondent.*

## Inflation adds to the problem

**“ The issue bothering black families more than white families is what impact VAT will have on budgets ”**

Star 5/7/91

# Private sector urged to cater for low-income groups

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By Al-Ameen Kafaar

The private sector's lack of interest in the lower income groups could hold serious problems for South Africa's economy in the future, says Dr Simon Brand, chief executive of the Development Bank of Southern Africa.

Speaking to a group of businessmen at the Islamic Bank in Fordsburg, Dr Brand said that with an affluent market, which had not shown much growth in the past few years, the private sector had tended to look for new markets other than that of lower income groups.

Building societies, for example, after a saturation in higher income group housing, had started moving out of the housing area by re-registering themselves as banks instead of concentrating on lower income housing.

In the same way, con-

struction firms and household goods manufacturers had also failed to cater to lower income groups.

A sound future economy would depend on wise advice and the willingness of the government and private sector to make adjustments.

Reducing government contributions to the rich — without lowering standards — and raising the living standards of the poor was a possible approach to a sound future economy.

This approach would not only pay dividends in the long run but would be more "noticeable"

It was inevitable that a new government would be under a lot of pressure to meet the expectations of the poor.

One argument was that government intervention in the economy was needed to produce quick and dramatic results. But, as

proven in other countries, substantial government intervention was not always the answer.

Complete neutrality, as argued by others, would also not be a solution. A certain amount of government intervention was needed for the establishment of a legal framework and the provision of services such as health and welfare.

"The present government is based on a white electorate. To tell the electorate less is going to be spent on them is a strange thing for a politician to do.

"But it is an unavoidable decision and the Government has been saying that to its electorate.

"The future lies in our own hands. By making contributions from our own resources, we could make the country much more attractive for foreign investors," Dr Brand said.



# Engineering a richer future

ster 9/17/91

**W**HEN THE focus turns to the economic scenario as South Africa pushes towards a new post-apartheid era, Dr Roy Marcus, president of the South African Engineering Association, jabs an index finger at a set of facts and figures always at hand

At the top of the list are estimates that no fewer than 17.5 million South Africans — 47 percent of the population — live in households that struggle to survive on as little as R695 a month

The cost of rescue packages, to lift them no higher than the line drawn to mark what is considered a minimum living level by normal standards, would run to a staggering R15 000 million

A dilemma beyond solution? It begins to look that way as the finger next follows the dismal record of economic performance in recent years too feeble even to keep pace with the growth in population

Dr Marcus, former dean of the faculty of engineering at the University of the Witwatersrand and now managing direc-

**Engineering boffins believe South Africa faces the crossroads of its economic future: sliding in status to yet another African country in economic shambles, or turning to technology**  
**MICHAEL CHESTER reports.**

tor of the Synergy Business Consultancy, also underlines the chronic shortage of skilled engineers needed to retune the economic motors and give them more power

Frustration mixes with anger when a new batch of statistics highlights the scarcity of engineering and science students among the 267 000 undergraduates flowing through a national network of 21 universities, compared with the hordes in pursuit of BA degrees with little direct relevance to manpower needs

The frustration deepens when he points out that the number of technicians trails far behind at only 13, with a combined enrol-

ment of only 60 000 students "That's where South Africa's economic problems come to roost," argues Dr Marcus "We need a radical rethink about our education and manpower priorities, and learn that much more emphasis must be devoted to technology

"We'll never find the economic thrust to tackle the future with any confidence until there has been a dramatic increase in the supply and status of skilled engineers

"If there are any lingering doubts, all South Africa needs to do is examine the formula that created the economic miracles achieved by the new tigers in the Far East Japan, Taiwan, Singapore, Hong Kong and South Korea

"All of them owe their success to the high priorities devoted to technology in their education systems

"South Africa, now at new crossroads, has an ideal chance to chart a course to follow their example in the search for new economic strategies. It could mean virtual economic suicide if we ignore the opportunity

"We can cut out the nonsense



Radically rethink priorities, urges Dr Roy Marcus.

about South Africa not having the resources or the manpower to flex the sort of economic muscles that have been developed by countries in and around the Pacific Basin Of course we do, if we apply our minds to it.

"With few natural resources of their own, most of them had little more than sheer determination to make full use of the tools of modern technology when they made an enigmatic debut on the stage of world

trade and rattled the complacency of global rivals on international markets "Each of them pledged to deliver the goods at the right price, right quality and right time "Their industrial strategies are based on three elements production, more production and still more production And that means more skilled engineers and better technology "South Africa needs to study the simple lessons well

"And we can do without hang-ups about whether we have the potential talent to handle the exercise Of course we do That has been proved by the high technology developed at Sasol, Eskom, Armscor, in uranium enrichment and in the whole mining industry, where we lead the world."

Dr Marcus believes South Africa faces the blunt alternative of slipping into the status of yet another African country in an economic shambles — or pulling all the levers of technology to achieve the status of a winning nation

The SA Engineering Association has pulled the first lever with the launch of what it calls TAP (Technology Awareness Programme) Its main objectives are:

- Creation of a national technological culture
- Promotion of technology as the platform for economic growth and national survival
- Increasing Government awareness of the key role of technology
- Gaining wider industrial support and recognition of the leverage effect of technology

- Action to avert a crisis in engineering education at tertiary institutions
- Uplifting the perception of technology as a career opportunity
- Development of a strong professional status for engineers and scientists
- Establishment of a national technology think-tank.

The programme has been reinforced by a special contest to find the Technology Top 100 firms showing flair in the business sector

The winners will be announced at the opening of the Trade and Industries Fair in Johannesburg next March

With luck, the association will also persuade the State President to name March 9 as Technology Day — and make it an annual event on the South African business calendar

"Back to our first concern about the number of South Africans living in absolute poverty Do we really want that problem to stay unresolved? Or shall we all take the high road and generate a new confidence in society at all levels about the economic future?" □

# Inflation rate row rages on

Star 9/7/91

By Des Parker

DURBAN — Is inflation hitting people's pockets at a rate of 15,2 percent a year — or is more like 20 or 30 percent?

This was the subject of a sometimes heated debate in Durban between Durban mathematician and engineer Karl Posel and Cape Town university academic and economist Brian Kantor

If the reaction of the audience at the NBS Economic Forum is anything to go by — and they largely comprised hard-headed business people who many would say can only gain from inflation — Dr Posel's adamantly-held view that the Government's Central Statistical Service (CSS) isn't doing its sums right may just be correct

Dr Posel, former professor of mathematics at the University of Durban-Westville, maintains the CSS-calculated consumer price index (CPI) gives an excessively broad "average" result of the effect of price increases on SA families's spending.

## Inadequate

But of more concern, he maintains, is his belief that it is based on inadequate surveys and incorrect and inflexible weightings applied to the proportion of people's spending on different goods and services.

Dr Posel, who has written widely in the financial and popular Press on his theory, described the CSS weightings as "fatuous"

For example, CSS calculated the average family spent exactly 21,21 percent of its monthly income on housing. This figure remained unchanged for five years, despite fluctuations in bond rates, increases in rents and the fact that some people had paid their bonds off in the interim

CSS gave a 1,84 percent weighting to the cost of employing domestic workers, which for a family outlaying R4 000 on household costs a month meant an expense of R72. Education had a weighting of 1,21 percent — "or R48 a month, and don't you dare argue with the Department of Statistics."

Dr Posel said the most important reason for an accurate measure of inflation was that it gave employees and trade unionists the information they needed to negotiate wage increases that at least kept pace with the rising cost of living

"And it is trite that there is a correlation between the effects of inflation and civil unrest," he said.

## Built in

Professor Kantor said the CPI calculation was done according to an internationally-used formula and that differences in weightings applied to expenditure led to only trivial differences.

"If Dr Posel's theory is correct, then South Africans have become poorer at a quite phenomenal rate, which I do not think is correct," Professor Kantor said as an incredulous hum rose in his audience

South Africans had learned to live over several years with a relatively stable, if high, level of inflation of between 12 and 16 percent

It was built into the fabric of the economy in contract price fixing and budgeting. But more damaging than steady, high inflation were unexpected variations in the rate

Food price increases, which were keeping the CPI increases uncomfortably high, were neither the fault of producers and manufacturers nor retailers. Poor company profit levels showed this

# Jo'burg rated with the cheapest cities

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B Day 26/8/91

MATTHEW CURTIN

JOHANNESBURG has one of the lowest costs of living among international business centres, a recent survey in the Economist has found.

However, the difference in cost of living was not enough to make up for the comparatively low salaries SA executives were paid, a consultant said on Friday.

The Economist survey showed that of 28 financial capitals around the world, Johannesburg's cost of living was higher only than those of Rio de Janeiro, Lagos in Nigeria, Warsaw, New Delhi and Prague. The survey measured the cost of sustaining a Western standard of living in the cities, based on general living expenses.

The report said the recent rise in the dollar was tarnishing America's position as a bargain location, while inflation in Poland had knocked Warsaw off the bottom spot as the cheapest city. Prague was now the cheapest.

Taking the cost of living in New York as an index of 100, Johannesburg's rating was 62 points.

Iranian capital Teheran was the most expensive city, more than three times as costly a place to live in as Johannesburg; ahead of Tokyo, Abidjan in the Ivory Coast, Zurich, London and Hong Kong.

Peter MacIldowie, director of international executive search company Woodburn Mann, said only the growing recession in the West in the last two years had prompted executives to look more favourably on working conditions in SA. It was becoming easier to attract foreign executives to this country.

He said SA remuneration packages had dropped to two thirds of overseas packages

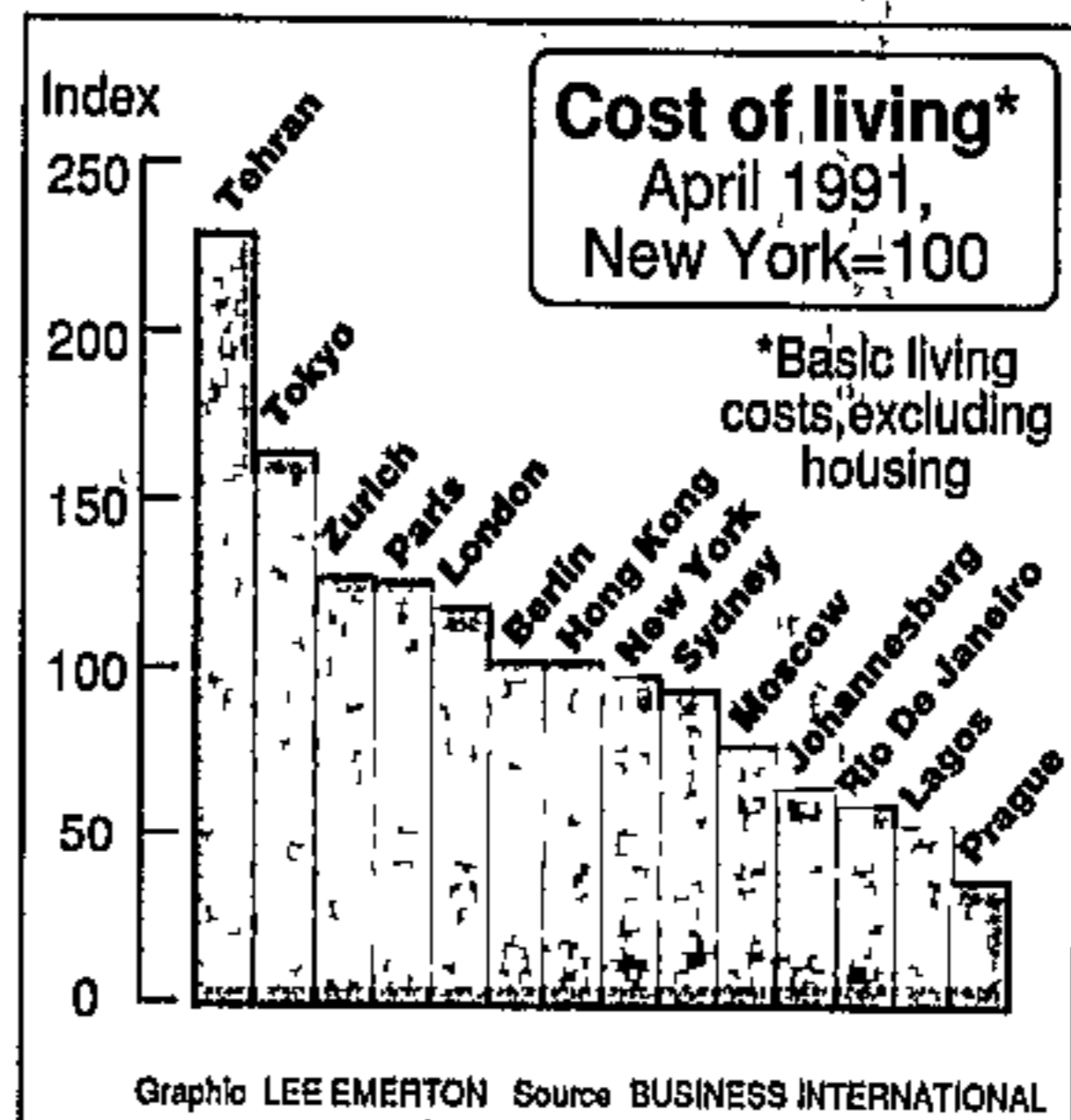
in the past four years, but overseas levels had been static for the past two years.

MacIldowie said the quality of life was often better in SA because of lower food prices, property rates and the sunshine.

"However, you must remember the cost of activities of more importance to executives like ski holidays and buying imported luxury goods are much cheaper for those working in other business centres," he said.

It took an average of 30 months' salary for a businessman to buy a car in SA, against only eight months in Europe or the US. Also, foreign exchange regulations prevented SA executives from taking their money out of the country.

MacIldowie said a SA executive was shortlisted for a \$1m post for which Woodburn Mann did an executive search last year, but someone headhunted by the group's London office landed the job.



# Drop in living standards

*B/Day 26/8/91*  
FALLING disposable incomes and deepening recessionary conditions put the screws on private spending, which fell for the first time this recession by 0,5% in the second quarter.

The Reserve Bank Annual Economic Report released on Friday said there had been a marked decline in SA's standard of living, and gross national product per capita plunged by 2,5% in 1991's first half.

Private spending had fallen because the continued cooling-down of the economy and the considerable retrenchment of labour "could have led to a more conservative attitude on the part of the consumer"

Real private spending had remained relatively firm throughout the current recession, growing at about 2% in all four quarters of 1990.

Fixed investment continued to fall under recessionary conditions and contracted at

SHARON WOOD

about 5% in the first half of the year.

Rationalisation depressed mining investment but manufacturing investment improved notably during 1990 and the first half of the 1991

SA's gross gold and other reserves increased by R1,8bn in the 18 months to end-June 1991, it said

Substantial surpluses were recorded on the current account of the balance of payments, which averaged about R5,1bn per quarter from the beginning of 1990 to the middle of this year

This reduced the outstanding debt of the country to \$19,4bn at the end of 1990, of which only \$6,6bn remained in the debt standstill net

"Although at a relatively low level, the

□ To Page 2

## Standards

*B/Day 26/8/91*  
foreign reserves of the country are now considerably better placed to accommodate an economic upswing because they now represent 'earned' and not 'borrowed' reserves," the report said

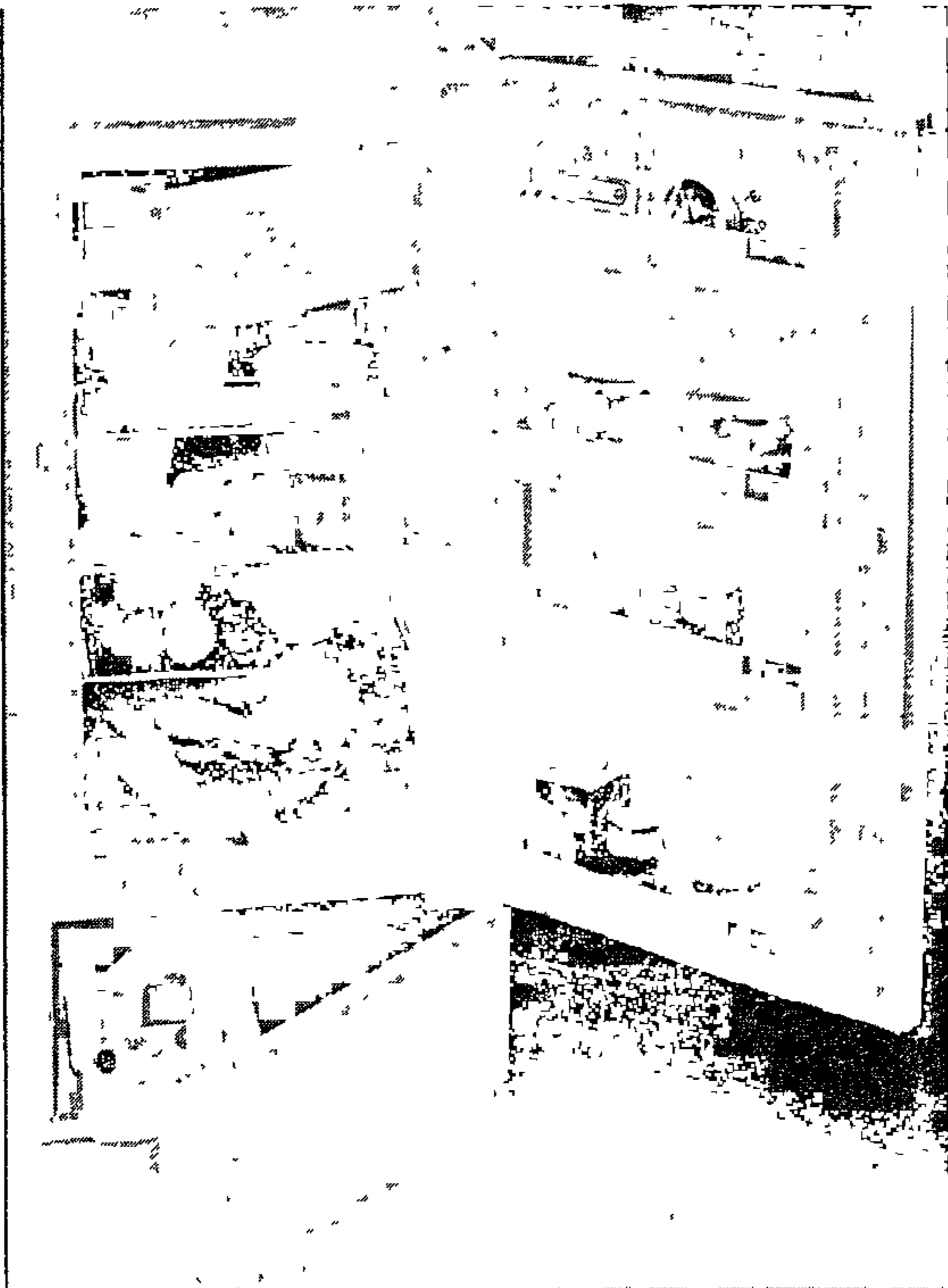
While the Reserve Bank had maintained its restrictive monetary policy stance, fiscal policy had recently turned more expansionary

"This seemed justified in the light of the relatively depressed economic conditions

*(242)* □ From Page 1  
and the pressing need for certain social expenditures"

The recession had "deepened considerably" in the first half of the year but the lower turning point of the business cycle might be reached in the second half of the year or early in 1992, it said

"Although the economy may at first grow at a relatively modest rate, the growth rate could strengthen if the international relations of the country improve further"



**WELL STOCKED ... Plenty of food in this fridge, but how will the poor manage when more items are taxed?**

# Helping the poor cope with costs

WHEN designing South Africa's VAT system, the Inland Revenue Department took into account the fact that under GST many foodstuffs were exempt from tax.

An investigation into the effect VAT would have on the needy showed that the GST exemption on food was an ineffective way of helping the poor. *cl/ren 11/9/91*

When you exempt an item with the intention of helping the needy you cannot, at the same time, prevent those who do not need help from enjoying the same benefit.

In a full year, South Africans buy more than R19-billion worth of tax-exempt food. The GST which the government foregoes on this food purchase is R2,4-billion.

But the poorest people of South Africa – some 12 million living below the minimum subsistence level – enjoy only 18 percent of the food tax exemption.

Clearly a tax system is not meant to help the poor, so it is better to tax everybody fairly and uniformly and

find other ways of helping the poor.

The same argument applies to home-building. To help the needy, we at present have a GST exemption on the labour cost involved in building a house. ~~375~~ ~~241~~

But it means that the wealthy home-builder who can afford to pay tax, gets a far bigger concession than the poor. ~~242~~

This argument, however, does not apply to commuter transport. By making these services free of tax, the government is making a direct concession to people who need help.

The tax-free goods and services under VAT are train, bus and taxi transport, education, and certain foodstuffs – brown bread and maize meal.

Other VAT benefits from which the needy will benefit are the lower tax rate – 10 percent against GST's 13 percent – the elimination of tax fraud, slower price hikes and a reduced inflation rate thanks to the reduced cost of business.

# Joe Burgerher: Rich man or poor man?

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W/Mark

22/11-28/11/91

**C**OMPARISONS, especially when it comes to wealth, are odious — but irresistible. So people of the 48 cities surveyed in the latest edition of the Union Bank of Switzerland's *Prices and Earnings* Around the Globe will eagerly scan the publication to see where they stand.

The survey shows as conclusively as possible that middle-class urban South Africans, taking Johannesburg as the norm, are worse off than those in advanced industrial countries. But they not as badly off as many people in poorer cities.

The rule of thumb is that those in industrialised countries generally earn more and pay higher prices. But despite their higher prices their money goes further and their wealth is by no means illusory.

Johannesburg has many of the benefits of cheap living associated with the Third World. Prices, based on a basket of goods and services, are half that of, say, Switzerland, but similar to Mexico City. However, the cheapest places to live are Bogota, Bombay, Kuala Lumpur and Manila.

Hotels are reasonable, and a short stay in Johannesburg will cost a traveller less than half the money he would spend in Europe.

Another similarity with Mexico City, food in Johannesburg costs 40 percent of what it does in Zurich and 43 percent of that in New York. Food in Tokyo is three-and-a-half times more than in Jo'burg.

Residential rentals are still cheap. An unfurnished three-room apartment in Johannesburg is among the lowest priced in the world, with few cities

How well off are urban South Africans? Not that well off in some ways, but not yet quite as Third World as they imagine, reports **REG RUMNEY**

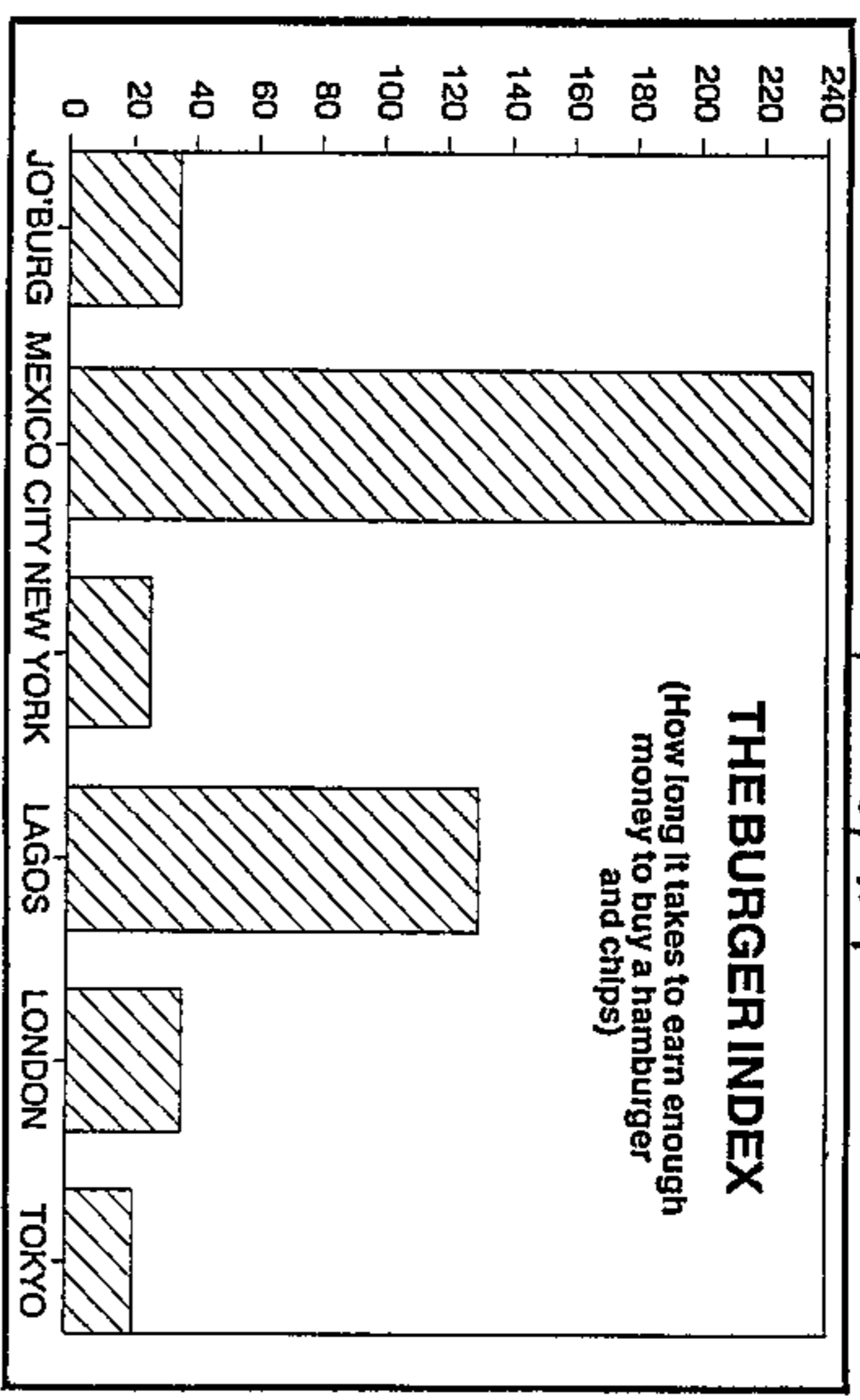
cheaper (Mexico City and Nicosia being two such exceptions)

Earnings, however, are not up to scratch. The survey of wage and salary levels shows the mythical average worker in Zurich earns four times as much as his or her counterpart in Johannesburg. By comparison, however, Mexicans in Mexico City earn around one-twentieth of their counterparts in Zurich.

In gross (before tax) buying power Johannesburgers rate 28th on the list of 48. Their earnings have under half the buying power of money earned by Swiss living in top-of-the-list Zurich. Gross earnings in Manila buy around a 10th of those in Zurich. So money goes further in Europe and North America. But the "basket" of goods and services is based on European habits, so it has less relevance than it might seem.

The clincher is how much work you have to do to get the money to live. One measure used by the survey is the amount of work it takes to buy 1kg of bread. In Johannesburg this is only seven minutes. The figure for New York is 22 minutes, for affluent Zurich nine, for indigent Lagos 216, and for Tokyo 14.

But modern consumers don't work for bread alone. What about things like cars and clothes? Since models and availability vary, the report shows only the prices of



The graph shows how long it takes to earn enough money (in minutes) to buy a Big Mac hamburger or its equivalent, and a portion of chips, in six cities

Source: Union Bank of Switzerland

individual models, but the survey came up with an average price for a popular medium class car with a 1,51 to 2,01 engine, such as a VW Golf, Ford or Honda. That average was \$15 748 for the 48 cities, or R45 669 on the exchange rates used when the survey was made.

The price of a VW Golf CSL in Johannesburg was \$12 500 or R36 250. On the whole, South African car prices, according to the survey, don't seem too far out of line with the rest of the world and are cheaper than some other places, like Oslo, where a VW Golf CL costs \$22 400 at the time of the survey, or R64 960.

The survey shows actual prices for a set of men's and women's clothes as well. Men's clothing isn't really a bargain in Johannesburg, and only cheaper and medium-range women's clothing seems really more affordable than

work per kilogramme of bread (or hamburger) method used by the survey makes Johannesburg a hungry man's paradise as compared to many other cities around the world.

But the employee doing the buying in each city is an abstract — a weighted average of 12 occupations, such as nurses, cooks and electrical engineers in each city. It does not include the very poor and the plight of the unemployed, whose number in South Africa is high and growing.

Take the comparison of net (after-tax) earnings in Germany, Switzerland and Scandinavia compared to North America. Scandinavian, Swiss and German workers earn high gross salaries. But taxes, which can cut those salaries by half, leave their buying power looking unhealthy in comparison with those of North America.

So North Americans are better off than the Swiss and Northern Europeans? Not so fast. Those high taxes include social security contributions, and the social welfare net many Europeans have must mean far greater peace of mind. How does one put a value on that?

In Johannesburg there is a small difference between gross and net salary and wage levels — indicating low rates of tax and/or social security contributions. The social security net isn't large in South Africa, a definite but unquantifiable drawback. Moreover, the bare figures don't reflect positives like sunny skies and wide open spaces or negatives like crime and pollution. You may pay more for a car in certain countries, but you are less likely to have it taken off you at gunpoint.

# Modest growth will redistribute white income to blacks report

SHARON WOOD

AN URBAN Foundation report shows that even modest economic growth will redistribute income away from the white population to blacks in the next few years.

A recently developed Urban Foundation income distribution model projects at least a 4,3 percentage point increase in the black population's share of personal income by 1995

The figure is based on an average growth rate of 2,5% a year until 1995, which lifts blacks' share of personal income to 37,3% from 33% in 1990. A more optimistic growth projection of 4% a year increases their share to 37,8%

A clear redistribution of incomes away from whites is projected even at the modest growth rates assumed, the report says

Whites' share of personal income is expected to fall by at least 0,7 percentage points to 48,5% (2,5%

	Whites	Coloureds	Asians	Blacks
1985 . . . . .	58,8	8,3	3,7	29,2
1990 . . . . .	53,9	9,2	3,9	33,0
1995 (2,5%) . . . . .	48,5	10,0	4,2	37,3
1995 (4%) .. . . .	47,8	10,2	4,2	37,8

growth) or by 6,1 percentage points to 47,8% (4%) from 53,9% in 1990

The report says the two reasons for the redistribution are the differences between race population growth rates and the changing relationship between per capita personal income by race.

Stripping out the effects of varying race population growth rates, the per capita personal income of blacks is projected to rise 8% to 115,3 (1985=100) if growth is 2,5% from 106,3 in 1990. At a growth rate of 4% the increase doubles to 16,5%.

In contrast, whites' per capita personal income is set to slip by at least 2,2% (2,5% growth) to 93,7 from 95,8 in 1990.

The effect of personal income redistribution will be to reduce the percentage of black households living in poverty

The poverty gap, the total sum needed to bring all households below the minimum living level, stood at R13,8bn in 1990 and this is projected to rise to at least R14,6bn (2,5% growth) by 1995.

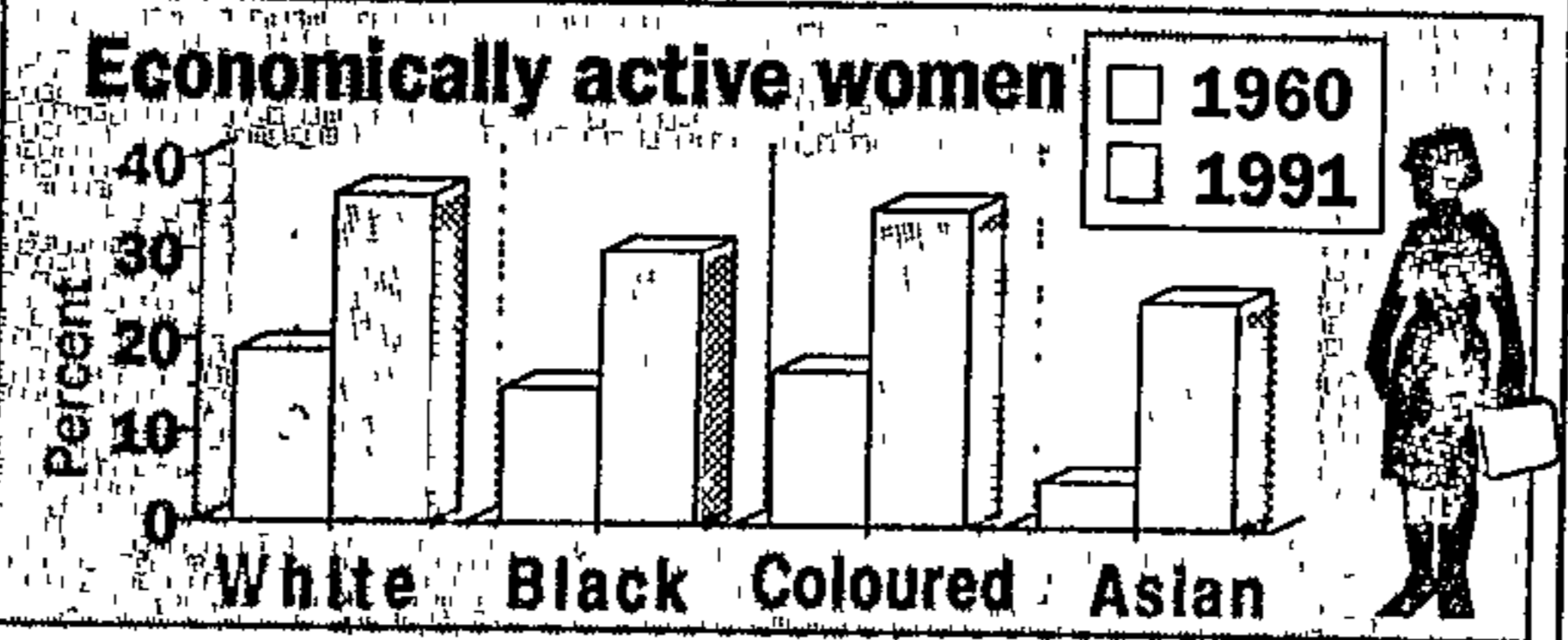
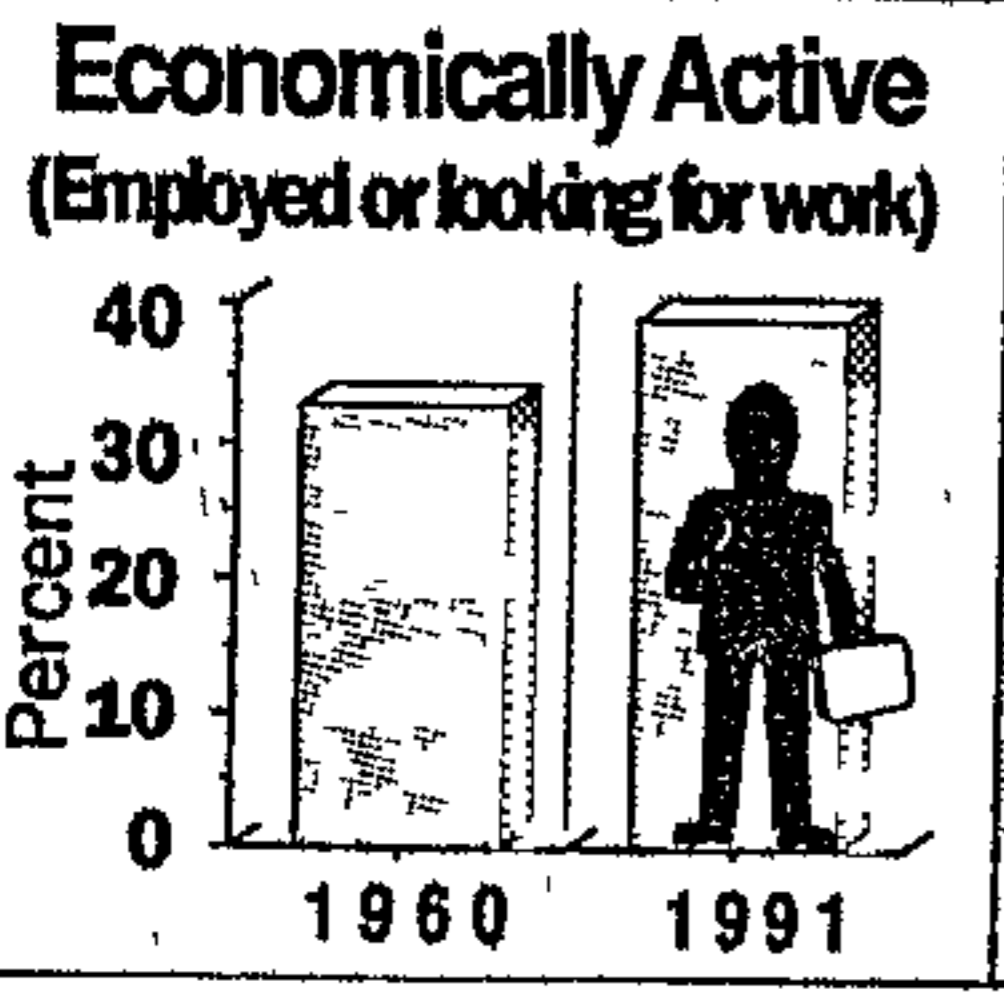
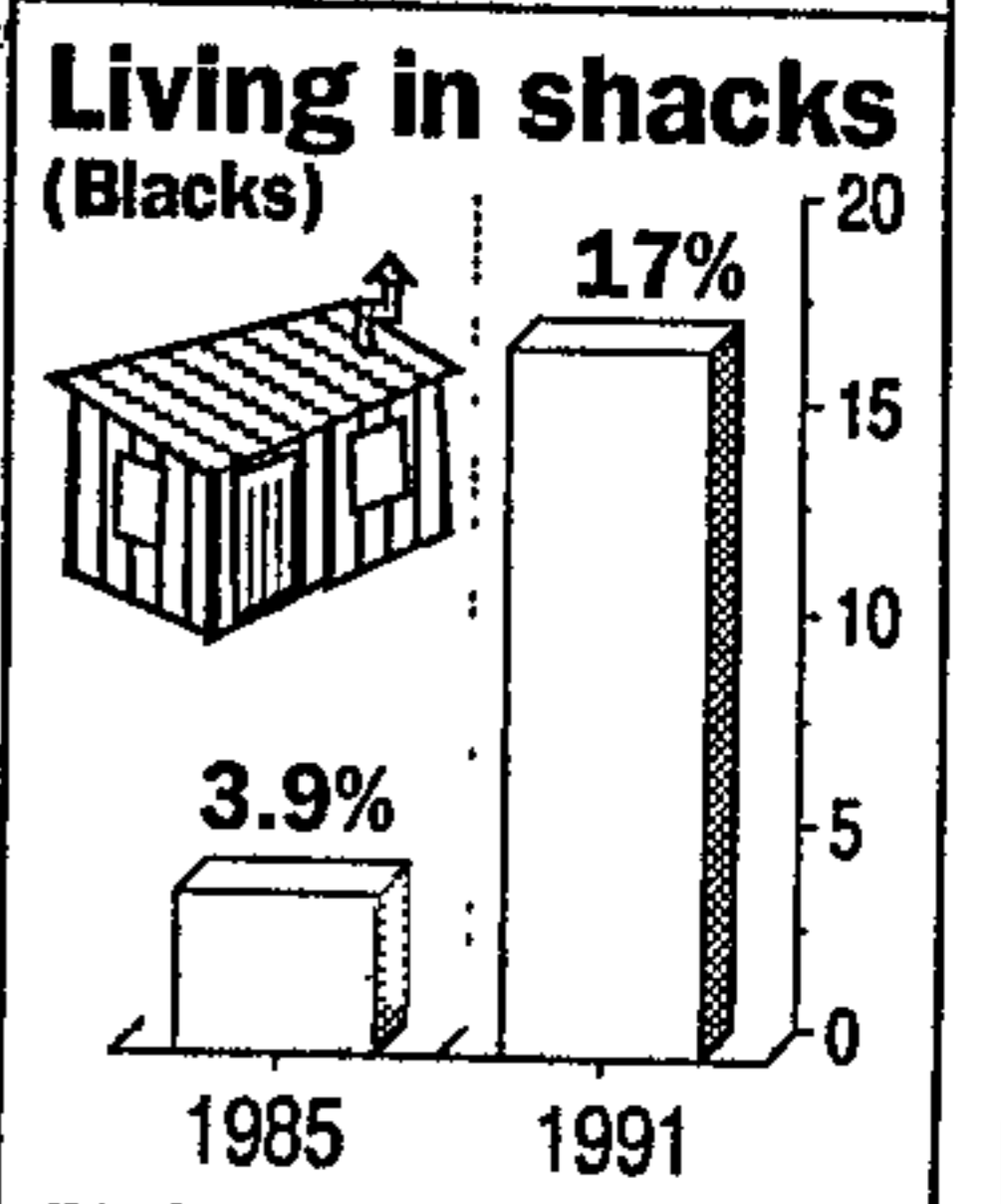
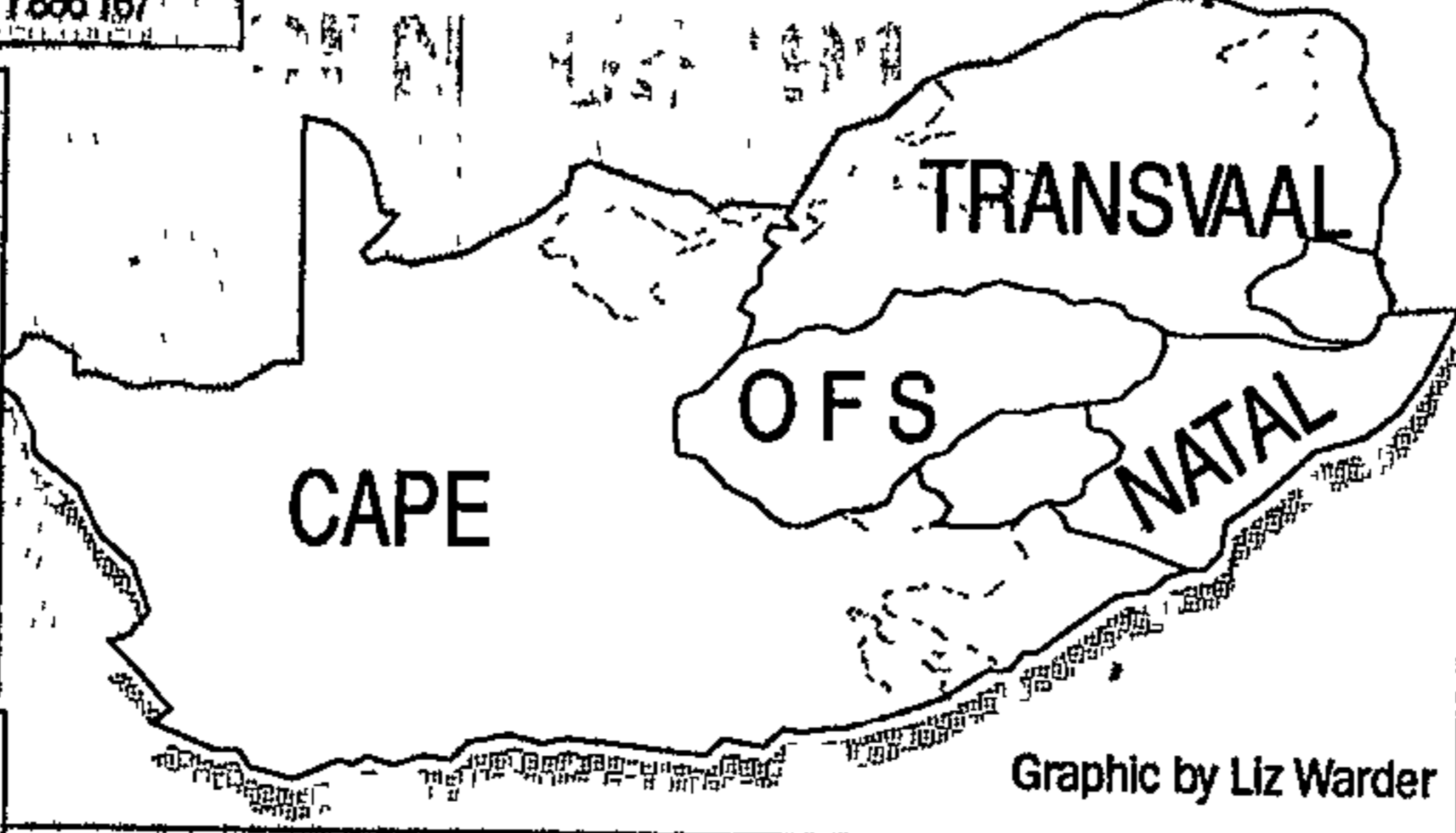
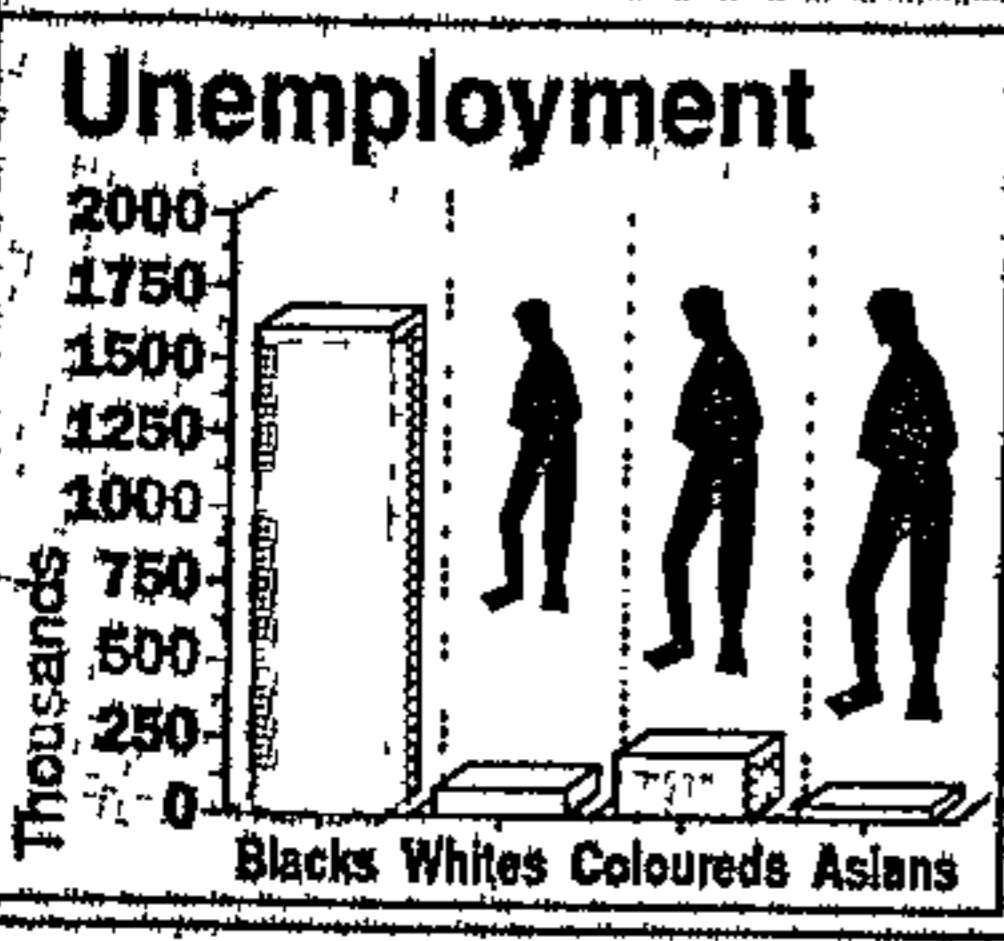
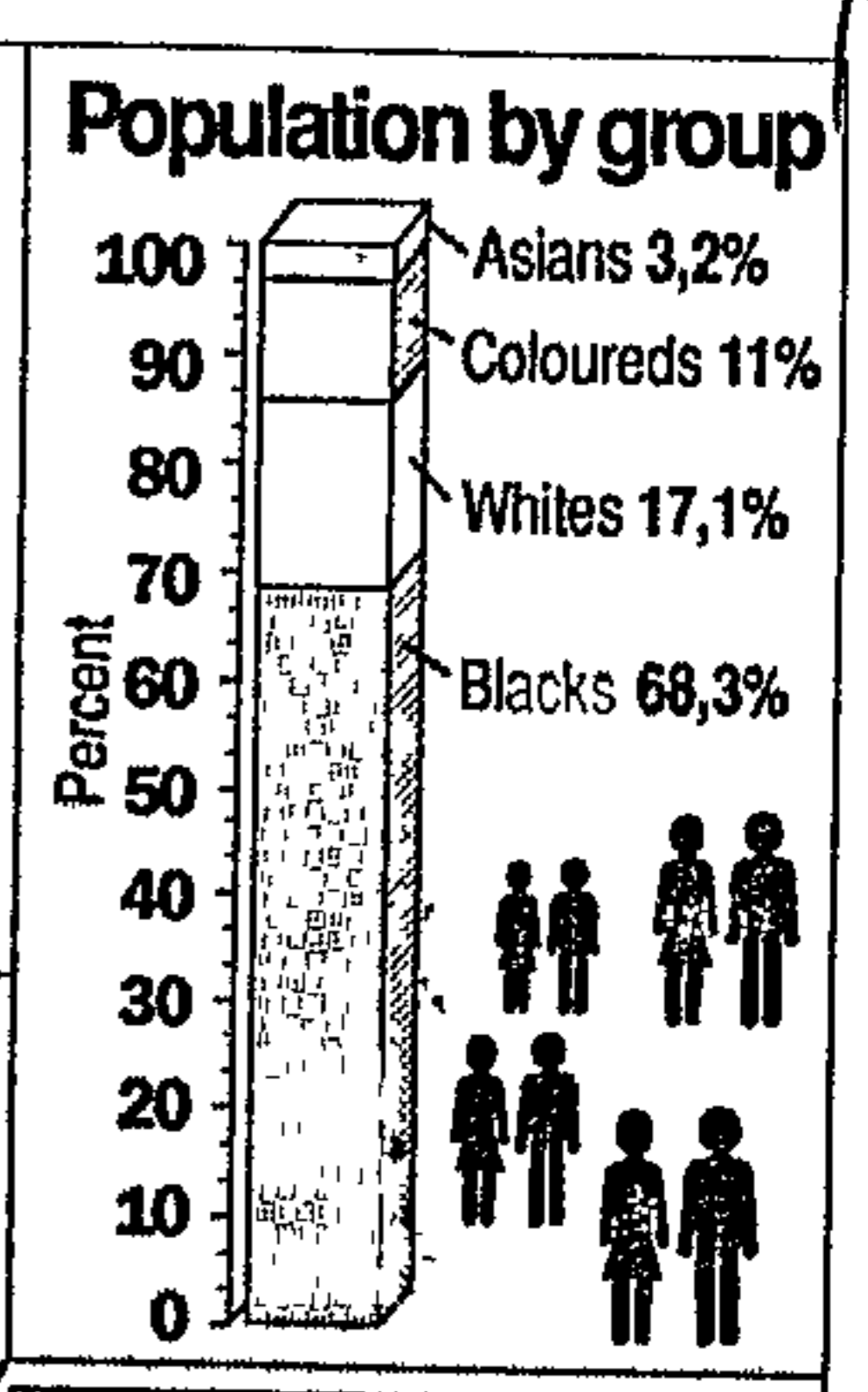
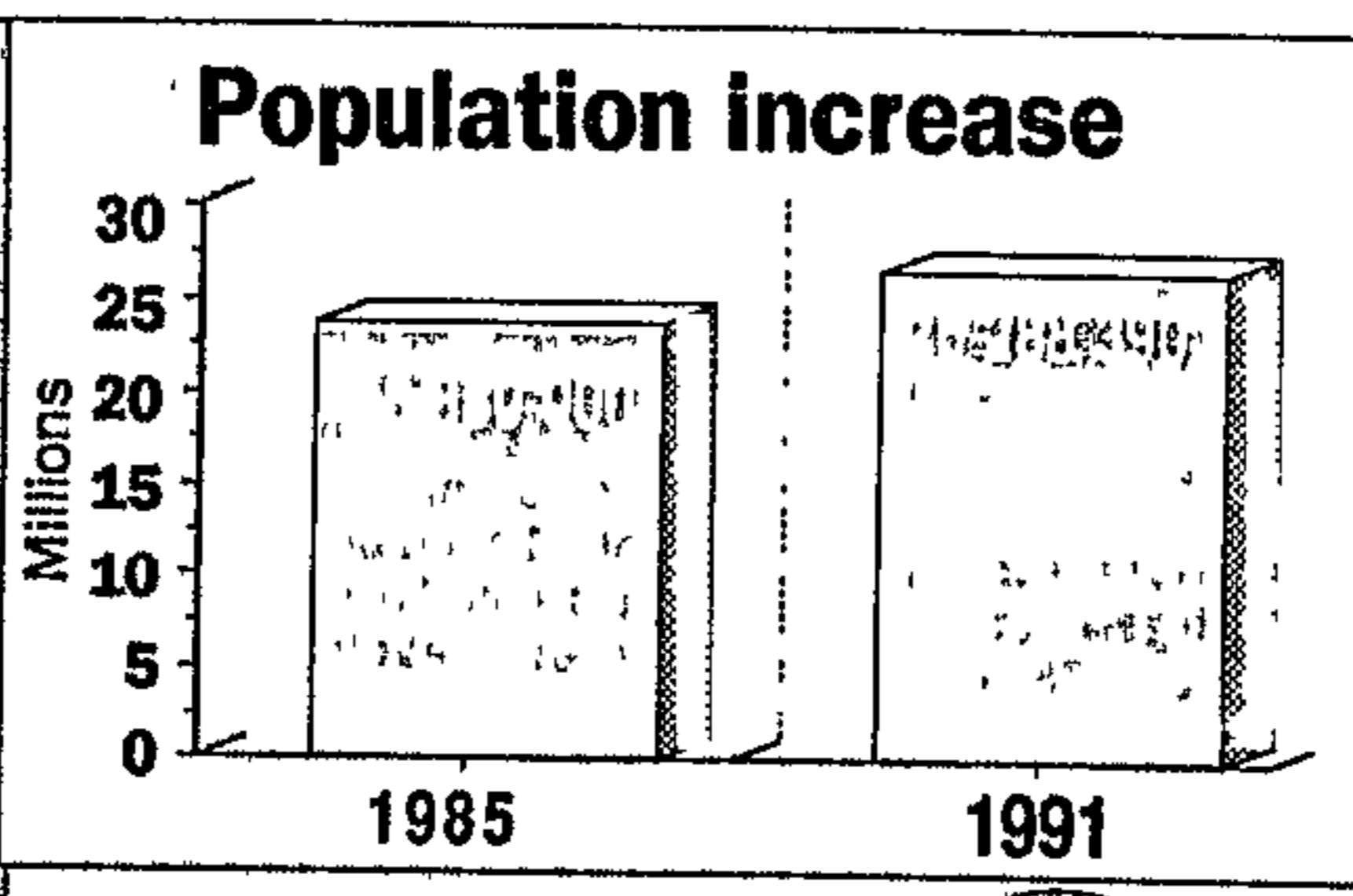
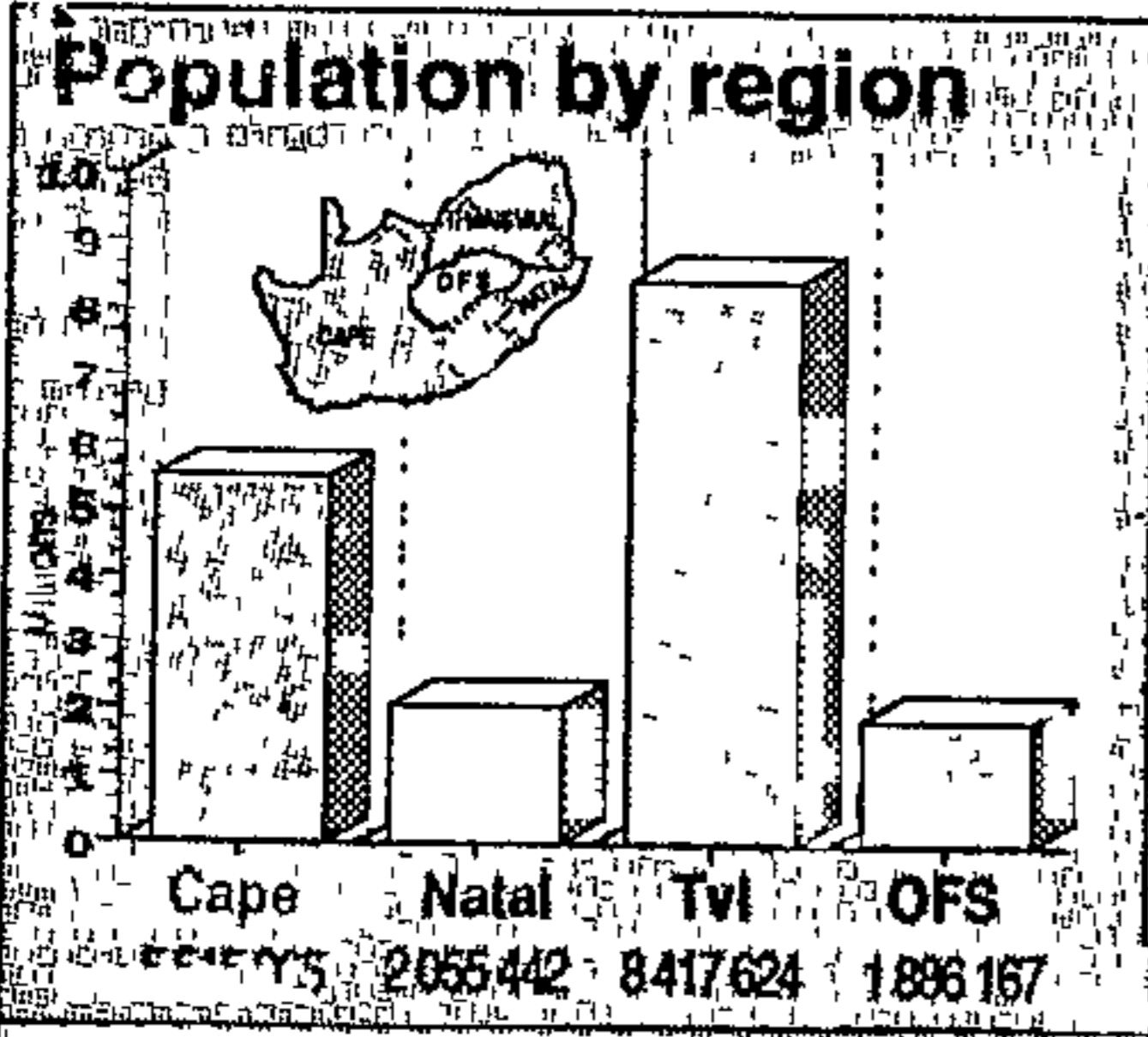
However, the informal sector perhaps can be regarded as removing about R4bn from the aggregate poverty gap, the report says.

The Urban Foundation cautions that other aspects of economic policy, other than growth, will have a direct effect on the outcomes projected for 1995.

POVERTY - MIN. LIVING ST.

1992 - 98





(Whites)  
The 1991 census recorded 49 in Johannesburg and 89 in Krugersdorp

# Years of hardship take their toll

STAR 11/3/92 242

**T**HE 1991 census reveals, in cold statistics, the increasingly bleak scenarios painted by economists and urban planners over the past few turbulent years.

Unemployment figures are alarming, the population spiral is worrying and cities are overburdened with poverty-stricken rural migrants.

The need for foreign investment is that much more real when considering the fact that only 39 percent of the total population was economically active in 1991 — and knowing that 1992 has already seen thousands more industry lay-offs.

Predictably, blacks are most severely affected by unemployment. There were 1 612 000 earning no income last year. Jobless whites numbered 83 000 while 202 000 coloureds and 43 000 Asians were out of work.

The stunting of commerce and industry through international isolation and economic recession has forced people into the informal sector.

More than double the number of blacks and coloureds were

Recent hard times in South Africa have resulted in a great deal of flux and change in the lifestyles of South Africans. This is starkly apparent in the 1991 census released last week by Central Statistical Services.

**HELEN GRANGE reports.**

self-employed in 1991 compared to 1980, while the figure rose by 67 percent for whites and 96 percent for Asians.

The services sector still remains the most important employer in the country, with one out of every five economically active people involved in it last year. The manufacturing industry and commercial sector followed respectively.

Agriculture, which in 1985 was the third biggest employer, was in 1991 only fourth.

The largest concentration of people was in the Transvaal (8 417 624), but urbanisation was most pronounced in the Cape, where 80 percent of people were living in urban areas compared to 70 percent in 1985.

On a national scale, 17 per-

cent of blacks lived in shacks compared to 3,9 percent in 1985.

The census recorded 49 whites living in shacks in Johannesburg and 89 white shack-dwellers in Krugersdorp.

The population has increased by more than 2,9 million since 1985, standing at 26,28 million on census day (including self-governing territories).

While whites are ageing and having fewer children, blacks are continuing a strong reproductive pattern indicated in the fact that 40 percent were under the age of 20 last year.

But there are signs that the general population growth is slowing. The largest age group in the census was between five and nine, 200 000 more than the group aged five and under.

From 1960 to 1991, the num-

bers of economically active women rose substantially.

Working white women increased from 19 percent to 36 percent, coloured women working increased by half in the same period, while their black counterparts also doubled in the workplace. Asian women fitted the same pattern.

On the education front, there was also progress, even if painfully slow. In 1991 a larger percentage of blacks had degrees, the figure having almost trebled since 1985. For the population as a whole, the proportion of people with a Std 6 or higher increased by 7 percent.

One interesting trend is that of the English language. It is the Asian community, not the white community, which is most responsible for its upkeep. Some 95 percent of Asians spoke English at home. Only 39 percent of whites, 15 percent of coloureds and 0,2 percent of blacks spoke English at home.

Most blacks spoke Zulu (38 percent), followed by Northern Sotho (15 percent) and Xhosa (12 percent).

X

# Inflation bites poorest hard

STAR 7/1/92

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**N**O WONDER there are so many arguments between any two consumers whenever the conversation comes round to talking about how hard inflation is knocking the family budget.

The root cause is the vast difference in the way each one of us feels the clout of the prices spiral — depending on where we live, our income bracket, our eating habits, our lifestyles. Even age may come into it.

Examination of the detail buried inside the regular bulletins put out by the Central Statistical Service (CSS) shows that inflation strikes with total disregard for either logic or compassion when it selects victims.

A broad brush-stroke informs us that the rate of inflation, as measured by the consumer price index, now stands at a national average of 15,5 percent a year.

That immediately causes a few snorts when CSS mandarins give a breakdown of how the average varies depending on size of salary or wage packets.

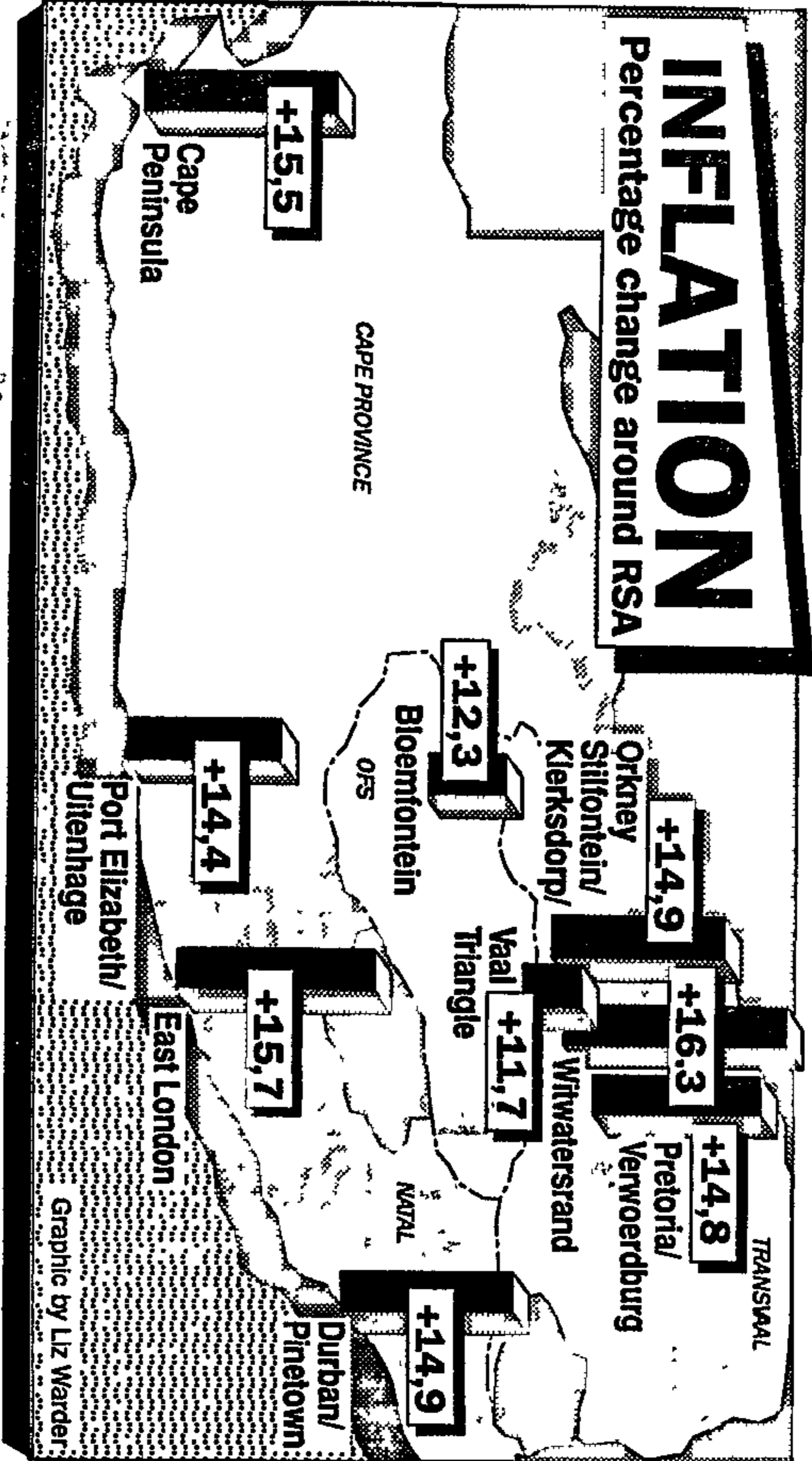
Temper flare when consumers in the middle-income bracket discover they are feeling the pinch worst of all with an inflation burden as much as 16,3 percent heavier than a year ago. Their sense of injustice boils to rage when they find that neighbours in the higher-income bracket escaped with a lower average inflation of 15,3 percent.

(Inflation for lower-income families, according to official figures, stood between the extremes at 15,4 percent.)

But griping among consumers in all three groups is muted when they come across the scale of inflation carried by pensioners. It now emerges that it is pensioners — the most vulnerable of all consumers — who are scorched most by the inflation inferno.

On a national average, the spending power of their pensions shrank by 16,2 percent

The mandarins at the Central Statistical Service put the rate of inflation at 15,5 percent a year in their latest count. Closer examination of the figures, however, shows that the impact of the prices spiral hits many South Africans much harder than others, reports MICHAEL CHESTER.



over the past year. Worse, if they live in or around Johannesburg, it shrank more than 17 percent. For pensioners in East London it shrank 17,4 percent — for reasons that CSS bulletins leave unanswered.

The inflation impact on pensioners gives an early clue to inflation's chaotic pattern. Take away all the frills of high living-styles and one finds it is the food bill, one of the biggest items of all in the frugal budgets of pensioners and most lower-income families, that suffers the harshest treatment from inflation.

Analysis of official figures shows that food bills on average have rocketed by up to 26,9 percent compared with a year ago, almost twice as bad as the average inflation level.

Take away food bills and the national average of inflation would sink from 15,5 percent to 12,7 percent.

The focus of outrage has centred on meat prices, which have climbed by more than a stunning 38 percent. But one also finds that vegetable prices were hit almost as hard, with increases of nearly 34 percent. Fish costs almost 28 percent

more than a year ago. Still worse, prices of fruit and nuts rose fastest of all — by well over 43 percent.

There was little consolation to be found in drinking away one's sorrows, as prices of alcoholic drinks jumped 18,7 percent, nor in trying to escape in a pipe dream — tobacco items were more than 23 percent dearer.

And popping pills to soothe the headache was an even more expensive escape. Medical care and health expenses went up nearly 27 percent. The pattern of inflation

seems to be peppered with anomalies. For instance, the affluent section of society who own their own cars were able to enjoy an actual decrease in running-cost bills, thanks to cuts in the price of petrol from the peaks hit a year ago when the Gulf War sent world oil prices into orbit.

In contrast, lower-income travellers find that the cost of public transport has on average jumped by almost 17 percent.

Perhaps one could find a haven somewhere in South Africa to seek refuge from the gales of inflation?

The first advice must be, following CSS surveys, don't try to find shelter in Johannesburg or elsewhere on the Witwatersrand. Here, on average, inflation was at its highest — 16,3 percent on living expenses. It was also higher than the national average in Maritzburg. In Cape Town, at least price increases stayed on the average level of 15,5 percent.

What about Durban or Pietermaritzburg? Or Pretoria or Verwoerdburg — 14,8 percent? Better still, if it appears, what about Bloemfontein, with an annual inflation rate down below 13 percent?

What about the Vaal Triangle — Vereeniging, Sasolburg, Vanderbijlpark? Bunge. That's where inflation has been lowest of all in the past 12 months at a mere 11,7 percent.

Moving towns may be better than holding thumbs in the hope that South Africa will find solutions to bring inflation down to the sort of forecasts being made by the main overseas industrial nations — between 3 and 5 percent over the next three years.

Among the most optimistic forecasts, the prediction from Nedbank chief economist Edward Osborn is that the inflation rate should gradually reduce to around 11,5 percent by the end of this year.

The Econometric research unit in Johannesburg has also done its homework on the outlook — with a number of optimistic forecasts that the price spiral may be tamed soon. Director Dr Azar Jammine concludes, however, that inflation has little chance of falling much below 13 percent in the next 12 months — even if the Reserve Bank sticks to its guns on monetary discipline and the socio-political climate improves. He fears that chances of bringing it down into single digits will remain remote until South Africa solves problems in its economic system created by Government overspending and punitive levels of taxation. □

## Mandela says Budget insensitive to the poor

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Political Staff

CAPE TOWN — The Budget was a rich man's budget and ignored the political process taking place in SA, ANC president Nelson Mandela said yesterday.

"Because the Budget plays such an important role in the redistribution of resources we would expect some consultation, especially with the ANC," Mandela told a news conference.

"It is quite inappropriate in our view that (government) could bring out a Budget which is so insensitive without taking into account the views of the organisation which is responsible for this process.

"Over the years, we have been faced with the question that the Budget has always been looked at from the point of view of the whites, not from the point of view of the poor. The announcement by (Finance Minister) Barend du Plessis that the zero-rating of basic foodstuffs is going to be lifted is something that is extremely insensitive."

THEO RAWANA reports that ANC economics policy spokesman Max Sisulu told a seminar in Johannesburg that a feature of the Budget was its "ethnic allocation" and its lack of "transparency".

The seminar was organised by the Nafcoc economic research unit, the Southern Transvaal African Chamber of Commerce (Soutacoc) and the Soweto Chamber of Commerce and Industry (SCCI).

"The budget was undemocratic in that the people had no part in its planning, it was framed to address apartheid priorities and we have no way of getting a breakdown of allocations and monitoring these," Sisulu said.

Molefe Mafole, of the PAC's economic committee, said: "The Budget comes from corporate and business taxes, our income tax and other sources, but distribution fails to improve the quality of life like social services roads and housing."

Instead of addressing the allocation of land for farming and housing to those from whom land had been taken, government had given R1bn to farmers who had been hit by the drought.

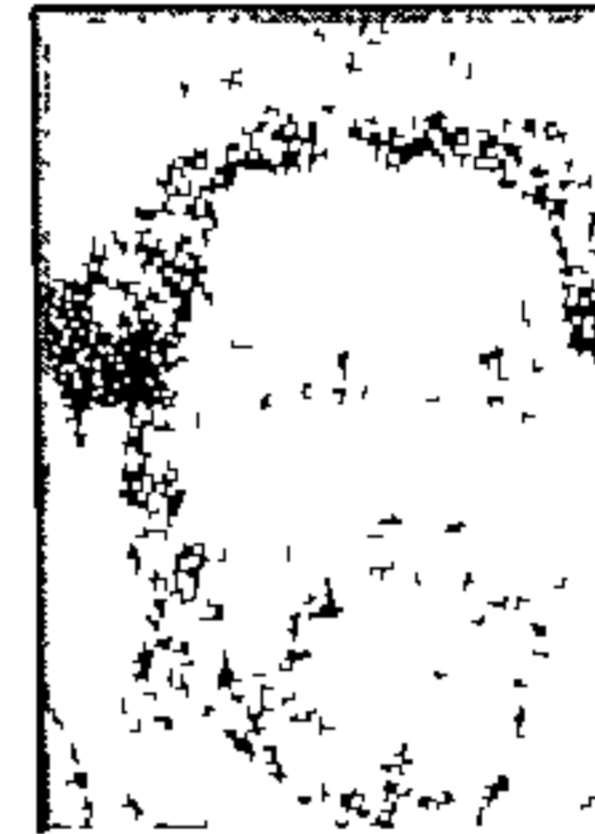
□ Sapa reports that Cosatu yesterday described the Budget as "mean and misleading".

In a statement on behalf of the ANC/SACP/Cosatu alliance, Cosatu said Du Plessis had often referred in his Budget speech to the need for discussion and consensus, but he had failed to discuss any part of the Budget or his social programmes with representatives of "the people".

# More pain for the poor as the money squeeze tightens

CIPRESS 22/3/92.

**This week's Budget, which has been described as a social conscience Budget in some financial circles, spells hardships for blacks, says MZAMO NXUMALO, Johannesburg manager of a prominent tax firm.**



**T**HE bad news in this year's Budget is the increase in the price of petrol and diesel. That means

transport costs go up - making it more expensive to get goods on the shelves and more pricey for the shopper.

Food items that were zero-rated from September 1991 will become subject to VAT as from April 1 - another attack on the pocket of the poor.

The petrol price increase is 8 cents a litre on the coast and 9 cents on the Reef. Diesel goes up 6 cents a litre.

## Less money

Fares for taxis, buses and trains will also increase. This is a very worrying development if one takes into account the inflation rate of 16,2 percent. Food prices in January 1992 were 26,2 percent higher than they were in January 1991. These percentages were quoted by Finance Minister Barend du Plessis in his Budget Speech this week.

The increase in prices results in the general populace having less money to save. The Minister said in the 1980s savings were 24,7 percent of the Gross Domestic Product - which is the value of goods and services produced each year in the country.

This percentage had fallen to 18,8 percent in 1991. This means more people are dependent on fewer income-earners, who in turn have less net cash because of increasing prices. Poverty is on the rise.

Value Added Tax (VAT) remains at 10 percent. However, basic food items that were zero-rated from September 1991 will become subject to VAT as from April 1.

These food items are samp, mealie, rice, whole mealies for human consumption, dry beans, lentils, fresh milk, canned pilchards and powdered milk. This will obviously result in an increase in the price of food.

There is also Excise Duty, which one way or the other will affect blacks. This is a tax included in the price of certain products. On beer the increase is 8 percent - 4,8 cents a litre.

On spirits there has also been an 8 percent increase resulting in price rise of 37,7 cents a 750 ml bottle. The

duty on cigarettes is now 2 cents more for 10 cigarettes. Pipe tobacco is taxed 10 cents more a kilogram.

Cooldrinks and mineral waters will be taxed at 2 cents more a litre.

On sorghum beer and sorghum beer powder there will be an excise duty increase of one cent a litre and five cents a kilogram respectively.

A few changes have been made to the taxation of individuals. Take, for instance, married women.

The maximum rate of tax for a married woman has been increased from 38 percent to 40 percent at taxable income of R50 000, instead of R40 000 as before. This is effective from March 1 this year.

The new tax rebates are: married persons R2 225; unmarried persons R1 950; married women R900 and persons over 65 years old R2 500.

Tax rates have been changed so persons in the lower tax brackets will save some tax. The levels of income at which various persons start paying tax have been raised.

## Tax rates

- Married persons under 63 years pay tax at income above R12 501 a year
- Persons 63 years to 64 years start paying tax at above R13 132 a year
- Persons over 65 years pay tax when income exceeds R24 881 a year
- Unmarried persons under 63 years pay tax at R10 715 a year
- Between 63 and 64 years they pay tax at R11 286 a year
- Over 65 years they pay tax income of above R21 429 a year
- Married women under 65 years pay tax at R5 264 a year
- Over 65 years they pay tax at income of above R17 292 a year

Housing is another area which the Budget tried to tackle.

Houses and flats up to R50 000 will not have transfer duty if they are sold between individuals who are not registered vendors for VAT.

The Budget provides for an amount of R2 153-million for housing projects.

No transfer duty will be payable on the purchase of unimproved land for dwelling purposes if the value is not more than R20 000. All the provisions regarding transfer duty apply as from March 19, 1992.

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26/3/92

By JOSHUA RABOROKO

THE growing unemployment, and limited salary increases, together with high levels of inflation, will reduce levels of disposable income and place increasing pressure on the affordability of low-income communities

This is the observation made by the South African Housing Trust's (SAHT) Mr W Conradie on the Budget and low-cost housing announced by the Minister of Finance, Mr Barend du Plessis, last week

Conradie said the growing risk of further retrenchments and company insolvencies during this time did not bode well for increased involvement of banks and building societies in long-term lending to the lower income segment of the market

Direct budgetary allocation, including income from various housing funds, increased only marginally from R1,4 billion in 1991/92 to R1,6 billion in 1992/93, an increase of 14,3 percent. Both these amounts represent an allocation of about 1,6 percent of total Government expenditure

### Low affordability

Investment in housing in South Africa had over the years been at a level below 3 percent of GDP. Compared to other developing countries, where the percentage ranged from 3,6 percent to 8,5 percent (an average of five percent), that was ostensibly low, he said

However, he said, any increase in the investment in housing in Africa, which "I maintain should be strived for, would, given the low affordability levels prevailing in the country, have to be supported by substantially increased direct budgetary allocations."

In an attempt to provide further impetus to housing, including infrastructure and land, funds have been released from the sale of strategic oil reserves for that purpose.

Of a total amount of approximately R1,9 billion realised from such sales in the previous budget year, a total of R562 million was allocated to housing, infrastructure and land.

Similarly, he said, in the Budget for 1992/93 year, a further R500 million was earmarked for this purpose while Du Plessis indicated that a similar amount could be made available during the following year.

### Accepted housing

He said the total allocation to housing increased by only 7 percent, which given an inflation rate of say 15 percent, meant a decrease of about 8 percent in real terms.

"Although I fully acknowledge the restraints within which the Budget had to be compiled, we will have to realise that future allocations for housing directly from the budget will have to be escalated," he said.

In addition, and in the absence of an accepted housing policy and strategy, appropriate mechanisms will have to be found in the short term to ensure continuity in development and housing provision in a way which will as far as possible reduce the negative influences which current subsidy disparities and lack of co-ordination have on development in general

"If this cannot be achieved, the housing log jam will continue notwithstanding the fact that funds are available, and private sector participation will decline even further," he said

# Millions below poverty line

By SOPHIE TEMA

MORE than three million rural blacks in SA under the age of 15 are suffering from malnutrition, according to Operation Hunger executive director Ina Perlman

This problem is highlighted in the latest paper released by the Foundation for Research Development (FRD) which emphasises the plight of 13 million illiterate and poverty-stricken people living in rural areas.

The FRD says the misery of their degrading environment is compounded by one of the highest population growth rates in the world, and most rural people are living below the survival threshold.

The paper says more than 50 percent of SA's blacks are below the age of 20, and approximately the same percentage are illiterate. This fuels the vicious cycle of ignorance and poverty.

Operation Hunger has calculated that in 1991 the cost of feeding a fam-



**SKIN AND BONES ... Women in the rural areas bear intolerable burdens.**

ily a palatable and balanced diet in Soweto (red meat excluded) was R565,87 a month, while more than 84 percent of the people in this country had a monthly family income of less than R600 00.

Nutrition education must, therefore, receive urgent attention

Children under the age of six face the greatest deprivation. For many of them depressed socio-economic conditions, widespread environmental

degradation and an impoverished education system leave little hope for a productive adult career.

"It is common knowledge that education for black children is still not compulsory in this country. Recent statistics have shown that approximately 25 percent of those who do reach the classroom fail the first grade, and many of them drop out, never to return.

"There are many contributory factors including overcrowded classrooms, under-trained teachers, inappropriate curricula and pupil malnutrition," it says

FRD has revealed that only one in every 10 000 black school entrants matriculates with university entrance qualifications in mathematics or science.

The paper also emphasises the vital role that women play in rural areas.

"They are responsible for caring for their children, collecting wood and drawing water, household

chores and providing the cultural underpinning of communities in which a large percentage of the men are absent

"In many instances, rural women bear an intolerable burden and are denied the opportunity to improve their skills and education," it says

According to the FRD, there is scarcely any activity among rural people that cannot be improved by introducing appropriate technology. This includes university development and school and technology programmes.

Urgent attention needs to be given to better agriculture, forestry and veterinary science

"The critical shortage of water in rural areas should be given the highest priority," it says.

The FRD is a major partner in joint ventures with the Department of Water Affairs and the Water Research Commission, and co-ordinates several important studies in this field.

The first of nine rounds of peace talks between Renamo and the government began in Rome in July 1990. Another is expected in May. — Sapa-AP

## Warning of a new divide

LINDA ENSOR

CAPE TOWN — There was a danger the new political system would entrench a new divide between urban whites and unionised, urban blacks on the one hand and the unemployed urban and rural underclass on the other, SA Institute of Race Relations director John Kane-Berman warned at the weekend *Blom 27/4/92*

"We need to beware of replacing the tricameral Parliament with a new urban-biased, union-biased, highly centralised political system, Kane-Berman told a University of Stellenbosch Business School conference. Such a system would practise redistribution in favour of urbanised, unionised people.

He said redistribution had been too narrowly spread across the black population because of low growth and rising unemployment.

Kane-Berman said rural black people had been the victims of a double discrimination — because they were black, and again because they lived in the homelands. Drawing on a recent Standard Bank study, he said government spent nearly three times more on the 22-million urban blacks (R67bn) in the 1990-91 fiscal year than on the 14-million inhabitants of the 10 homelands (R15bn).

# Tough times ahead as we all get poorer

STAR 12/9/92.

**M**OST South Africans got a little poorer this week. As they did the week before and the week before that as well. And chances are that they will get a little poorer next week as well.

The year 1992 is likely to end up as one of the worst years for most South Africans in terms of economic growth, declines in wealth and standard of living since World War 2.

And the outlook is not likely to change before several positive factors fall into place

This week's wholesale sell-off of South African shares by foreign investors in the wake of the Bisho shootings further underlined the fragile investors' mood on the JSE

## Dramatic

Since peaking early in June this year the three main indices on the JSE have recorded dramatic falls. The overall market has declined nearly 20 percent, the industrial index by more than 15 percent, and the gold market 26 percent to a seven-year low this week.

After initially being fairly guarded about the nature of the decline on the JSE, analysts are now openly describing the current bout of weakness on the JSE as a full-scale bear market

Unit trust investors have also borne the

**AS SOUTH Africans continue to feel the pinch of the recession, the bad news is that it's not going to get any better in the immediate future. In fact, 1992 is likely to end up as one of the worst years for economic growth. MAGNUS HEYSTEK analyses the predicament SA finds itself in.**

## No end in sight to doom and gloom

brunt of declining capital values, with most funds mirroring, to a lesser or larger extent, the downwards spiral in share values

The other investment area that traditionally has served to protect one's capital against inflation, the property market, is also now feeling the cold winds of the international recession blowing throughout the Western world

While property values have not started declining in both nominal and real terms as is happening in most other Western countries, notably the United Kingdom and United States, turnover levels in the industry have dropped by more than 30 percent

While the lower and medium ends of the residential property market have kept up reasonably well, the top end of the market has been badly bruised by a combination of financial pressure on the owners as well as lack of political confidence in the country's future

Events this week have done nothing to boost the

flagging political morale of large sectors of South African society, mainly white

While cash might create a feeling of flushness, it certainly offers no protection against inflation and taxation

But for the time being, it is in many cases the only option.

With the latest decrease in interest rates, savers with less than R50 000 now get a paltry 9,5 percent on average

Other types of instruments offer higher rates but in the retail market the highest rates generally on offer are not much higher than 13 percent

Against an inflation rate of 15 percent it stands to reason that capital values are under pressure here too

For most average working people, salary and wage increases this year are likely to be below the inflation rate — in some cases as much as 8 percent lower

In addition, many thousands of people have either been retrenched or retired prematurely. This adds to the air of

doom and gloom and also reduces the disposable income in the economy as a whole.

Internationally, South Africans are steadily getting poorer in line with the decline of the rand against all major currencies, especially non-dollar currencies

This has had a catastrophic effect on the purchasing power of the rand, particularly in European countries.

For both traveller and businessman this means that more and more rands are needed for the purchase of goods and services.

Last week the rand dropped to record lows against most European currencies, notably the pound, German mark and French franc

At R5,50 to the British pound, the rand today is worth only 18p. Not many years ago the rand was worth the same as a pound.

## Poverty

Against the US dollar the rand has been relatively steady, but only as a result of the sharp decline of the dollar against other major currencies

The latest political developments have done nothing to offer hope for a turnaround in this precipitous slide into poverty.

In fact, it has added further momentum to it

Being in Germany and Austria at around the time of the Bisho massacre, I had first-hand experience of the reaction of top businessmen to the bad news. And, I'm afraid to say, the bad news was not conducive to further investments in South Africa

At this stage, top companies like BMW have no intention of pulling out of South Africa, but before the political climate improves there is no chance of further investments here

This makes us all poorer in the long run.



# Recession bites deepest at mealtimes

STARZ 15/9/92

242

By Michael Chester

New surveys show it is at the dinner table that most South African families feel the decline in standards of living caused by the recession during the last 12 months.

Polls taken by the Omnichek division of Research Surveys show that nearly two in every three urban black families find the pinch of recession is sharpest at mealtimes.

About 62 percent of black housewives list the impact on everyday meals among the items they consider worst affected by the recession.

The complaints climb to 75 percent among housewives over the age of 50 — and a still-higher 79 percent among lower-income groups trying to live on less than R400 a month.

Three in every five confirm they have had to cut back on the purchase of clothing.

More than a third have also been forced to cut back on entertaining friends in their homes.

All in all, 53 percent of black females feel that their living standards have fallen compared with a year ago.

Only one in every 10 felt better off — most of them in the 18-24 age bracket, or else in income brackets above R2 000 a month.

Research Surveys director Binky Kellas said: "Three in five respondents could not hazard a guess at how long it would be before the economy improved."

"However, those who did take a stab at it were clearly not optimistic, with 71 percent saying they thought it would be more than two years before an improvement would take place."

# High cost of cheap foods

STAR 22/9/92.

**FOOD AND THE POOR**  
While the Government is pondering VAT zero-rating VAT on basic

foodstuffs, low-income consumers are struggling to put a decent meal on the table

**ZINGISA MKHUMA** reports.

**T**HE recession is hitting people in all wage brackets, but poor families are taking the blows where it hurts most in essential food and clothing

To see how food prices are affecting poor people, Trends attempted to help a Soweto family of five spend R150 — about a third of its joint income — on food

The basket consisted of 15 items — including mealie meal, samp, beans, powdered milk and vegetables — which the family consider the most basic and essential for their daily needs

The shopping list did not include bread (also considered essential for the children but bought daily) and meat, which the family buys every Sunday

The food was bought from small traders and the vegetables from hawkers, where most low-income people shop

Dorah Dubazane, one of family's breadwinners, says this list would sustain the family for only two weeks

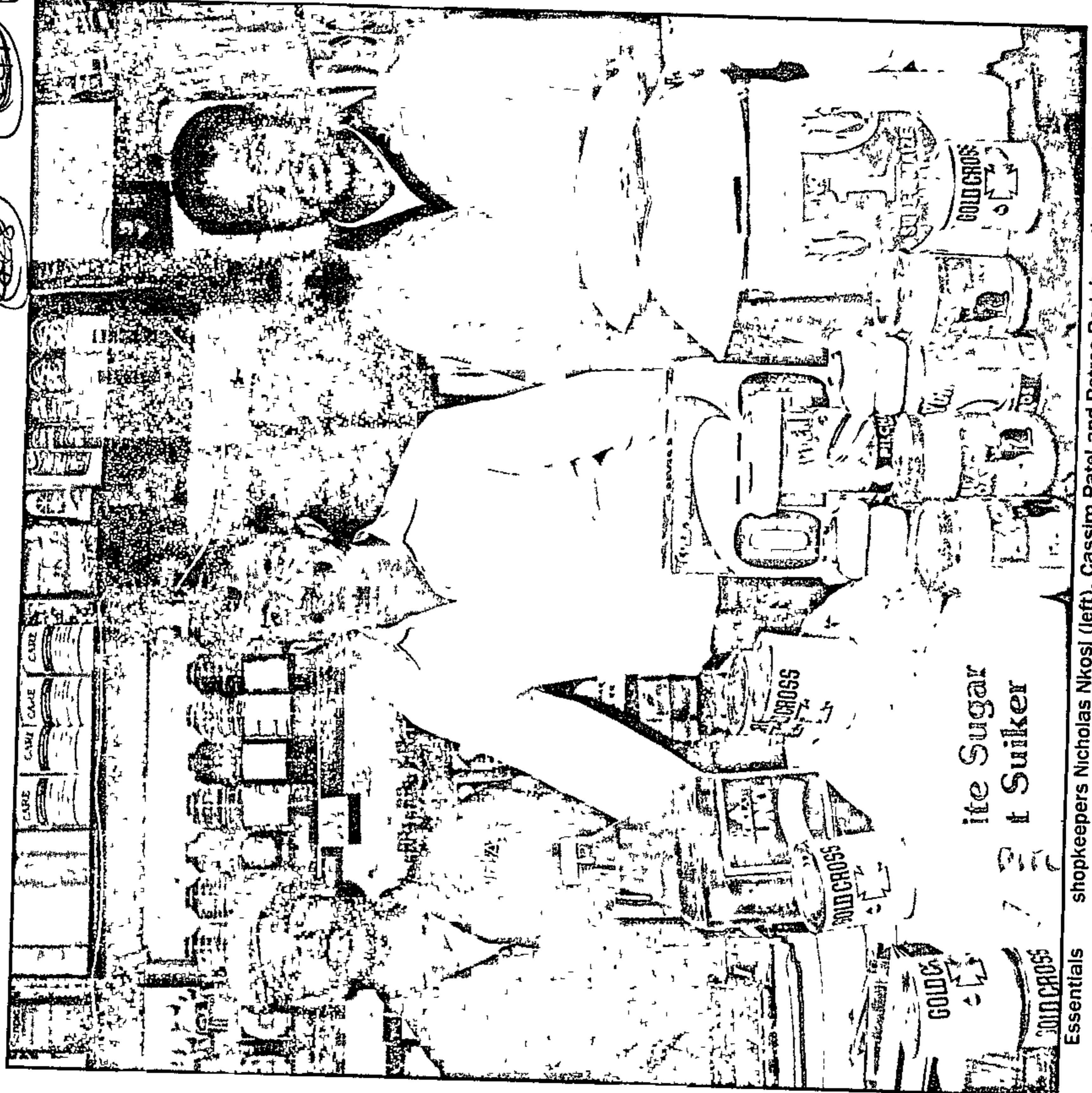
Her children have tea and bread for breakfast and lunch every day. The family eats two loaves of bread a day. Supper consists of porridge and vegetables

Tinned fish is substituted for vegetables, and on Sundays the family lunches on samp and beans and occasionally cheap cuts of meat or offal, chicken necks, gizzards, and livers for R10

Ms Dubazane, who does part-time domestic work, reflects the misery of many poor families when she says "I sometimes feel that I only work for food. It takes up a big slice from my income"

Sister Jeanette Molefe, field service manager for the African Children's Feeding Scheme, says many black fa-

**TOMORROW**  
Martha Skosana has one ambition to read the Bible before she dies



Essentials shopkeepers Nicholas Nkosi (left), Cassim Patel and Petros Radebe with some basics

families cannot even afford 15c for "malebese" — two slices of bread with peanut butter and skimmed milk that her scheme supplies to township folk

She encourages people to buy cheap but nutritious foods with a high protein content, such as split peas and soya mince. One source of these foods is Imqualife, a non-profit organisation serving low-income groups

Nonia Ramphomane, president of the National Black Consumer Union, says the Government needs to use churches, clinics and schools to identify families in need, and to feed people who can't afford to buy food

She has suggested a coupon system to accommodate individual family needs

Concern over runaway food costs has prompted members of the Food Forum, consisting of consumer bodies, retailers, farmers and manufacturers, to appeal to the Government to consider exempting some foodstuffs from VAT

Forum members believe that if the Government zero-rates basic foods, food inflation (which is more than 30 percent at present) could be brought down to 10 percent

The fight against food inflation has been joined by two powerful Congresses of South African Trade Unions affiliates, the SA Commercial, Catering and Allied Workers' Union and the Food and Allied Workers' Union, who will monitor certain food prices

The unions blame "monopolistic food retailers", the Government's introduction of VAT and the removal of food subsidies for increasing prices

Finance Minister Derek Keyes says he might consider zero-rating some foods in next year's Budget

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**A focus on  
poor whites in a time  
of recession**

## White poverty at its highest since the 1920s

By CAROL GALES

HOW serious is South Africa's modern "poor white problem"?

According to statistics and anecdotes from relief workers, the recession is pushing more whites out of work and into hunger:

●The number of whites fed by Operation Hunger has grown from zero in 1984 to about 100 000. In Pretoria, the number of whites fed by the programme jumped 100 percent between July 1990 and July 1991. *W/Mail 2/10 - E 8/10/92*

●Whites are taking menial jobs formerly held only by blacks. "We haven't seen the white work force suffer as deeply as it has in this recession," says John Dawkins, president of the National Association of Personnel Service Organisations.

●With the amount paid out in social relief and unemployment benefits rising nearly every month this year, the government's welfare programme for whites is way over budget. "This situation hasn't been anticipated," says Piet LeRoux, spokesman for the House of Assembly's Department of Health Services and Welfare.

Today's level of poverty among whites is the highest since the government created social welfare to solve the "poor white problem" of the 1920s, according to Brian McKendrick, head of the social work department at the University of the Witwatersrand.

The system gave whites education and health care at little or no cost, non-contributory old age and disability pensions, subsidised housing, plenty of jobs with the government and its businesses, and other support.

In the past five years, that system has largely been dismantled and government businesses privatised. As a result, "the helping network that primarily aided whites is disintegrating", McKendrick says.

Still, the extent and severity of poverty among whites remains small in relation to the plight of black South Africans. Ina Perlman, Operation Hunger's director, points out that five percent of her cases involve whites though they make up 17 percent of the population.

"Certainly, the impression we have is that with the majority of whites affected it has been rough, but one hasn't yet seen the gross malnutrition one sees among blacks," Perlman says.

With the shortage of government welfare funds, whites — including conservative political groups — have mobilised over the past year to help their own.

The Conservative Party created Volkshulp 2 000 to co-ordinate welfare for white people, says spokesman Johannes van der Berg. The programme hands out donated food and helps whites find jobs. It also encourages white farmers to replace black workers with whites.

Werk & Oorleef, an apolitical feeding scheme in Pretoria, started in 1985 with 34 families. Today, it serves more than 5 000 white families in the Pretoria area, according to Kleintjie Pereira, the programme's director. "We aren't racist or anything, it's just that we can't help any further at this stage," he says.

Other indicators that more whites are poor include

●The number of debt judgments against individuals grew by 26 percent between 1987 and 1991, according to figures from the Information Trust Corporation. And the value of the judgments more than doubled, to R2,2-billion.

●Many white schools are holding parties, dances and raffles to raise funds to buy food for pupils from low-income families. Businesses have donated bread, milk and other food.

●This year the government earmarked R440-million to help South Africa's poorest. LeRoux says his white welfare department hopes to recoup some of its overspent funds from the allocation.

●In a recent Gallup poll, a record 60 percent of whites said they were poorer than a year ago. The poll also showed that 46 percent expect to be poorer next year, while 23 percent expect to be better off. Among blacks, the sentiments were reversed. 25 percent felt their situation would worsen and 39 percent felt it would improve.

# Sorry plight of million whites hit by recession

S/Times 29/11/92  
By SHARON CHETTY

ALMOST one million white South Africans are living below the breadline — more than during the Great Depression in the 30s.

These poor whites are only part of the nine million people being assisted by the government because they have no "visible" means of livelihood.

According to a deputy director of the Department of Health Services and Welfare, Mr J Pienaar, 912 746 whites are economically inactive or have an income of less than R7 000 a year, and the numbers are rising.

Mr Pienaar says that in the 1990 census, 1 962 658 whites were listed as having no income. But of these, 1 464 076 were below the age of 19 — leaving a total of 498 582 adults with no income at all.

A further 414 164 have an income of less than R6 999 a year.

According to the census, the total white population of South Africa was 4 521 000.

The University of South Africa's Bureau for Market Research says the minimum living level for an average family of five is R650 a month.

With unemployment rising as a result of the recession, Mr Pienaar says the number of whites who approached his department for assistance increased

from 29 701 last year to 46 034 by March this year.

The nine million destitute catered for by the government's National Nutrition and Social Development Programme include all race groups as well as people living in the TBVC homelands.

The programme, which is co-ordinated by the Department of National Health and Population Development, funds non-governmental organisations or local authorities which have feeding and nutrition programmes.

It has a budget of R440-million for the 1992/1993 financial year.

Dr Joos Hattingh, NNSDP programme director, said about 35 percent of the total black population was experiencing "social need".

According to the 1990 census, there are 17 973 320 black people in the country.

Between April 1 and November 21 this year, 1 368 organisations received money from the NNSDP.

Operation Hunger director Ina Perlman said her organisation's feeding and self-help projects catered for over 2,1-million people — 100 000 of whom are white.

She added that the unemployment rate in the rural areas was about 50 percent over the past two to three years, but had risen to 70 percent in 1992.

## LABOUR BRIEFS

### Wages below headline

WORKERS in 10 of the country's largest sectors earn less than the Award all-industry average wage — a Labour Research Service (LRS) wage database

In its Wage Review, the LRS found that workers at Transnet, Telkom and in the iron and steel, building, clothing and motor industries as well as public servants earn an average of R218 a week and won increases of 15,2 percent between April and September this year *W/Mar 11/12 - 17/12/92*

The Award average is R247 a week with average increases of 16,5 percent increase in the same period

The supplemented living level — a poverty datum line — is R232,78 a week. About 64 percent of the companies surveyed by the LRS paid labourers below-inflation increases

Workers in the catering and hotel sector won the highest average increases — 26,5 percent. And although miners have been hard hit by recession, the industry produced the highest percentage increase — 75,5 percent at Phelps Dodge

Workers in the auto sector earn take home wages of R367,45 a week, the highest in the country.

### Sun International wins

A COURT application to order leisure group Sun International to negotiate wages and service conditions at a centralised forum was dismissed by the Transkei Appeal Court on Tuesday.

The application was brought by the South African Commercial, Catering and Allied Workers' Union and 1 527 Sun International workers in the homeland ~~in the homeland~~

The Court ruled that centralised negotiation was not permitted by the Transkei Military Council's decree

*W/Mar 11/12 - 17/12/92*

# Blacks 'still bear brunt of hardship'

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*BIDAY 30/12/92*  
BLACKS continued to bear the brunt of social and economic hardships throughout 1992, the SA Institute of Race Relations said in its latest report.

A compilation of statistics by the institute contained a "chilling reminder" that blacks suffered more than other population groups from political and criminal violence and economic decline.

The institute said racial imbalances were still evident in key areas such as education, employment prospects, housing, public amenities and health care.

Education statistics showed, for instance, that 1991/92 racial per capita state expenditure on school education was blacks R1 248, coloureds R2 701 and whites R4 448.

More than 1,7-million children aged between six and 17 were not in school, and only 41% of blacks passed matric, compared with 96% of white pupils.

While black enrolment at technical colleges had increased 230%, they still only made up a quarter of the student population at technical colleges in 1992.

Employment prospects for black matriculants in 1993 were bleak, with predictions that the only sector offering job opportunities next year will be the informal

GAVIN DU VENAGE

sector. The institute quoted National Manpower Commission figures showing that there were about 5,4-million people without formal employment in 1991.

Of these, about 2,5-million to 3-million earned a living in the informal sector, while similar numbers were unemployed.

Black incomes continued to lag far behind those of whites, with 58% of black households earning below R700 a month and 51% of white households earning more than R4 000 a month.

Overall, 66% of the black population and 50% of the total population lived below the poverty datum line, the institute said.

Between 3,5-million and 10-million people were currently living in informal settlements and backyard shacks and, to eliminate the housing backlog, 198 000 new houses were needed each year for the next 10 years, the report said.

In 1992 there were 604 000 beds in hostels, but estimates were that in some hostels there were up to six residents per bed. The institute added that 23-million blacks had no access to domestic electricity, 4-million people have minimal water supply, and 7-million had little or no sanitation.

data report

ANC, PAC slated



Star 17/3/93

# Living standards down 13 percent since 1989

242

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By Magnus Heystek,  
Finance Editor

Economic production dropped by two percent last year to make it the third consecutive year in which annual production has declined, says the latest bulletin of the SA Reserve Bank.

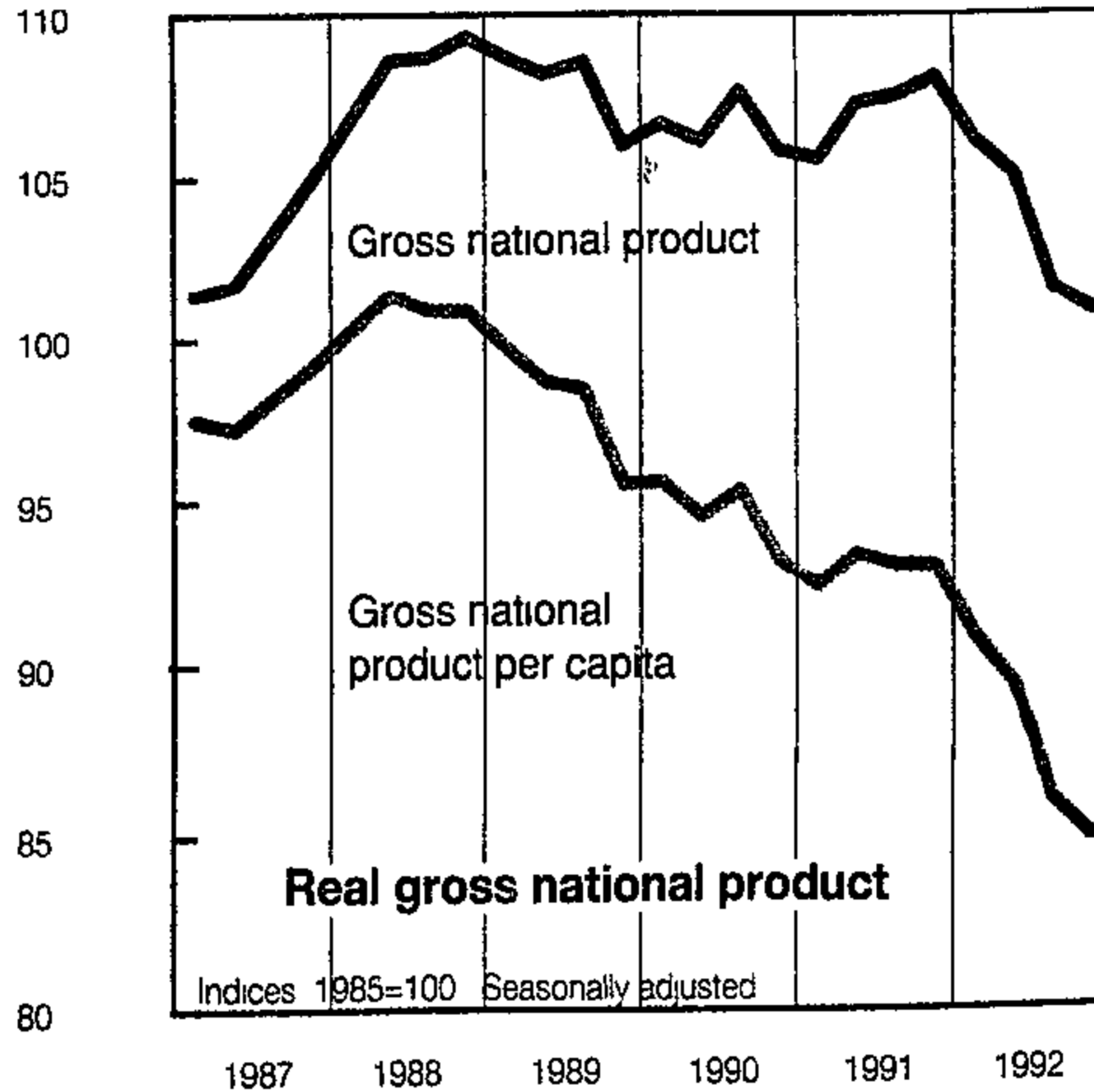
As a result, living standards, as measured by real gross national product (GNP), have dropped by more than 13 percent since the start of the recession at the beginning of 1989.

According to the Bank, economic development in 1992 was characterised by a considerable deepening of the downturn, large capital outflows and a decline in foreign exchange reserves.

The drought has had a marked impact and caused economic production to drop substantially, especially in the fourth quarter of 1992

Depressed conditions were exacerbated by uncertainty over political developments and a slowdown in the performance of overseas economies

However, on the positive side, real progress has been made in curbing inflation to bring it



under the 10-percent mark for the first time since 1978

But as a whole, the Reserve Bank sketches a picture of a very depressed economy, with low levels of consumer and business confidence, and a sharp decline in gross fixed investment spending, combined with the Government's ever-increasing share of consumption

expenditure, which now stands at 21 percent of gross domestic product (GDP), as opposed to the average of 16 percent in the 1980s

The Bank says 276 000 jobs have been lost in the non-agricultural employment sector since the beginning of the downturn in 1989

Most job losses occurred in

the mining sector, manufacturing and engineering as well as in transport and construction

By contrast, employment opportunities offered by the public authorities increased in 1992

At the end of the third quarter of 1992 (the latest figures available) employment by public authorities was 1,3 percent higher than at the start of the downswing

The report says that despite the sharply lower levels of employment in the formal sector of the economy, wages and salaries still grew

However, while real production did not increase, large-scale retrenchments and other cost-savings measures led to an increase of 1,3 percent in labour productivity in 1991 and another of one percent in the first three months of 1992

The mortgage advances of deposit-taking institutions continued to rise sharply in the fourth quarter of last year, most probably because the flexibility of certain mortgage schemes enabling borrowers to utilise funds for purposes other than real estate transactions and because of the cash-flow advantages of such borrowing

However, the value of real estate transactions declined sharply by 14,4 percent in 1992

## 1-in-3 below poverty line

The Argus Correspondent

JOHANNESBURG — A third of all black households in the PWV area live below the minimum living level

A Human Sciences Research Council study says that by 1991, 31 percent of the households were below the minimum level

The report criticises past planning policies that had resulted in concentrations of poor people in dormitory areas south of Johannesburg and north of Pretoria.

The policies had led to huge social and economic costs on the people through, for instance, high transport bills "In many low-income households, transport expenditure exceeds housing expenditure"

242 ARG 10/11/93



# 'SA living standards have dipped'

Star 24/11/93

■ BY NORMAN CHANDLER  
PRETORIA BUREAU

Based on economic achievements over the past year, living standards have actually dropped 3,9 percent, according to National Productivity Institute executive director Dr Jan Visser.

Writing in the science magazine Archimedes, Visser added that living standards could be improved only if more job opportunities were created. (242)

He stressed the need for higher productivity in SA.

He said South Africa would be able to solve social and political problems only once the problem of poverty had been solved.

"In our new South Africa, everyone will have one expectation in common: that his or her living standards will at least be maintained, but preferably improved."

# So long to good times

S/Timeo (EUST)  
25/4/93

By ZILLA EFRAT

ABOUT R1 250 in today's money has been knocked off every South African's stake in the country's income since the recession began in 1989

The Reserve Bank says living standards have fallen by nearly 13,5% in the prolonged slump — the greatest drop since the Second World War and, more likely, the Great Depression.

The measurement is based on gross national product per capita, which plummeted by R462, at constant 1985 prices, between the end of 1988 and 1992.

Econometrics director Tony Twine adds that real personal disposable income a head has now dived to levels last seen in 1966 — a decline which largely hits those at the lower end of the distribution curve, or about 80% of the population.

It fell particularly sharply last year — by 4,4% in real terms — to R5 372 a person at current prices.

No early relief is likely. Economic growth in the first quarter of 1993 is expected to be down sharply and prospects for the second quarter are bleak.

Sanlam chief economist Johan Louw believes South Africans will have to wait until late in the year, or even next year, for the beginning of a recovery.

# R10-bn is earmarked for upliftment and jobs

Star 16/7/93

By Derek Tommey

Some R9 billion to R10 billion worth of projects, intended to improve the living standards of South Africa's poorest people and also provide several hundred thousand jobs, are in the pipeline, reports the Professional Economic Panel (Pep).

Pep represents a group of economists, businessmen and politicians who earlier this year, in the form of the widely exposed Nedcor/Old Mutual Scenario exercise, presented a report outlining 22 action priorities for positive change.

In a progress report, Pep says that the National Housing Forum and Department of Housing are expected to disburse a R500 million government grant within weeks. This money will be used to encourage private-sector funds to invest in the low income housing market.

This news will be welcomed by many economists and businessmen who see a major drive to build low-cost housing as one of the quickest ways of creating employment. It would also give the hard-pressed building industry and building supplies industry a useful stimulus.

Some of the housing money will go into direct subsidies, says Pep. But part will be employed as a guarantee to underpin efforts to mobilise institutional funds for

the development of low-income housing. Investec Merchant Bank is designing a capital market instrument to appeal to prospective institutional investors.

Commenting on the report, Matthew Nel, chairman of the coordinating committee of the National Housing Forum, said that urgent consideration was being given to defining the structure and criteria for dispensing the funds. However, he was not prepared to give a precise date for when the funds will start flowing.

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ESB

## Works programme

Pep also reports that the short-term working group of the National Economic Forum is close to finalising a proposal for a R5 billion to R6 billion national public works programme.

This is to be launched next year and included in the 1994-95 Budget.

The Government has accepted the proposal in principle but financing is still under discussion.

The Development Bank of Southern Africa has outlined projects needing more than R5 billion which have the potential to create direct employment for more than 300 000 people.

Meanwhile the National Electrification Forum has been given the objective of developing within a year a strategy to accelerate

the electrification of the country with particular emphasis on disadvantaged communities.

Eskom has struck a R500 million deal with the Life Offices' Association (LOA) to part-finance its R3 billion "electricity for all" drive.

This is the first project undertaken by the investment development unit of the LOA in socio-economic development.

The electrification participation notes offer a 6 percent fixed coupon Eskom bond with interest payable twice a year.

Eskom guarantees a return of no less than 11,98 percent, but this is also linked to a warrant which offers a variable return element based on 30 percent of the turnover generated by the electrification drive.

This instrument could at some stage be adapted to allow other forms of socially desirable investment, such as in housing, health and education.

Eskom intends to bring electricity to at least a million people.

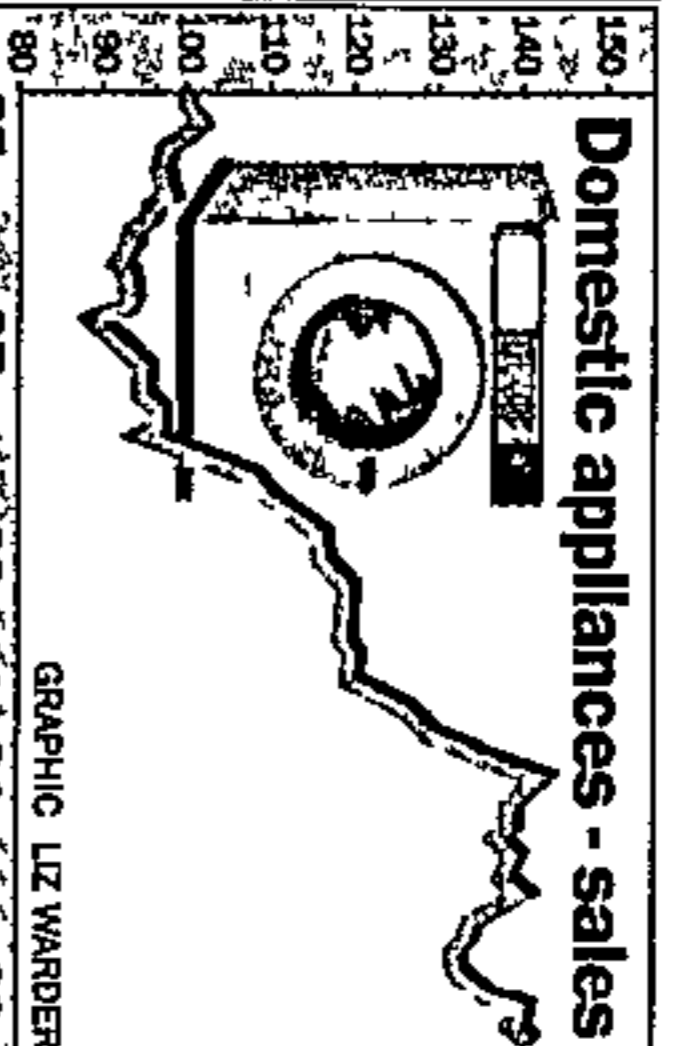
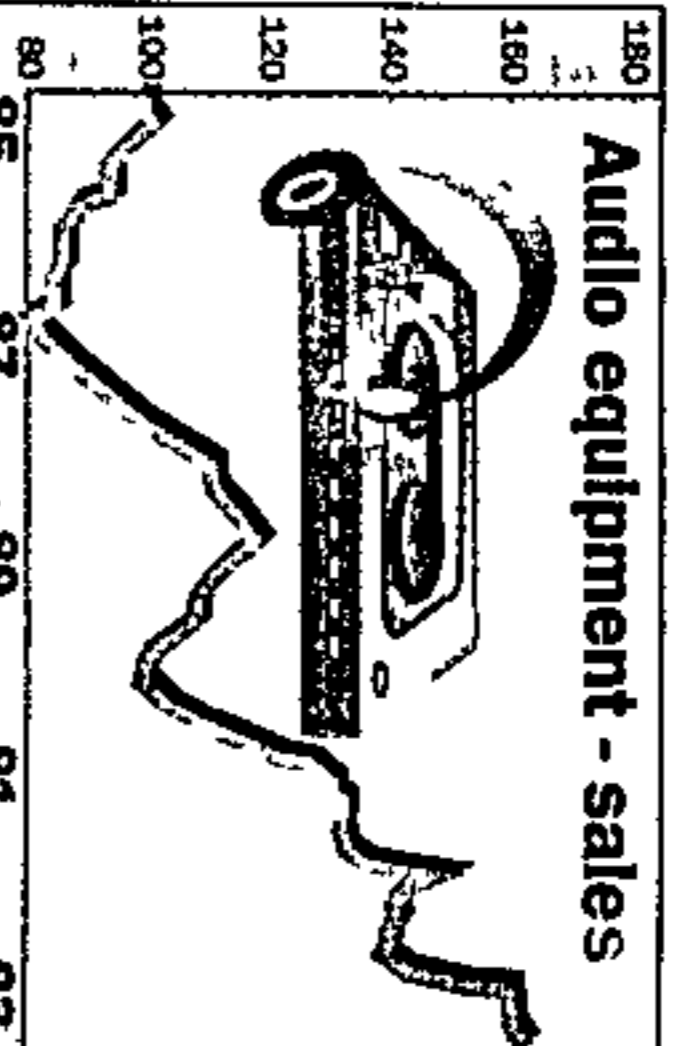
It is becoming more involved in the retail end of its market, says Pep. It is set to supply power directly to millions of residents in virtually all PWV townships. It has been negotiating with almost all local authorities where it does not already enjoy supply rights.

Star 4/18/93

# No job, no future, no hope



**With the collapse of apartheid, work started on closing old white/black racial divisions. But an economic think-tank fears the next problem may be a widening gap between another two tiers of South African society — the employed and the poverty-stricken jobless. MICHAEL CHESTER reports**



GRAPHIC: LIZ WARDEN

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**N**O SOONER has repair work begun on bridging white/black racial divisions caused by the apartheid era, than South Africa faces the problem of a widening chasm between two tiers of society.

The new gulf is being created by the dramatically growing gap between "haves" and "have-nots", as counted by the employed and the jobless.

The Econometric research unit has become disturbed by signs of a growing schism between the two tiers that, it believes, could start a new round of social tensions unless remedies are found soon, ideally by a huge job-creation programme.

Dr Azar Jammame, director of the think-tank, has detected evidence of a dramatic increase in the gulf between the living standards of workers in secure employment with regular incomes and the swelling numbers of jobless households adrift in a chronic unemployment crisis.

He believes the scale of the chasm can be judged by patterns of retail sales.

"At first, the current pattern makes no economic logic at all," he says.

"But a deeper analysis reveals obvious evidence of a dramatic spread of utter poverty

among the jobless majority of the population, compared with higher spending levels on relative luxuries by those fortunate enough to be inside the safety net of secure employment."

He is bothered most of all by evidence of a dramatic nose-dive in purchases of food, normally the very last item to be trimmed in family budgets when the going gets tough.

### Rules

Paradoxically, that compares with surges in sales of such semi-luxuries as TV sets, hi-fi gadgets and expensive household appliances.

"Trends in buying patterns have broken all the normal rules of economics," he says

"Particularly in phases of recession, one naturally expects sales of foodstuffs to be the least affected by spending cutbacks.

"Everyone, it is assumed, must eat, whatever else the sacrifices.

"In turn, purchases of non-essentials should be the first casualties of cutbacks on spending."

"In most economies, recessions are regarded as temporary phases.

"In South Africa, however, the huge size of the unemployment pool is beginning to look an almost insoluble problem.

"Despite all the high expectations stoked by political oratory, there is growing despair among the jobless about suspi-

cions of permanent poverty. "Our research points to a widening gap between families trapped in abject poverty and families that can depend on breadwinners whose powerful trade unions ensure that pay packets keep on growing.

"It means that South Africa, just at the moment it feels it has broken the reins of black/white apartheid, may be facing an equally chilling phase of a new sort of two-tier society."

### Spending surge

The Econometric team focuses on trends in retail sales. Most alarming of all, it finds, is a plunge in sales of foodstuffs

of almost 25 percent over the past two years — by far the steepest on record.

Yet while the size of food baskets goes on shrinking — all the more alarming because of the high growth in population — there has been a simultaneous surge in spending on non-essentials.

Sales of TV sets have climbed more than 10 percent higher than a year ago, sales of domestic appliances like fridges and cookers are up by 14 percent, sales of audio equipment have grown a stunning 20 percent.

"It indicates the brutal fact that while more and more families cannot even afford to feed themselves properly, the

living standard of next-door neighbours with steady incomes is leaving them further and further behind," says Jammame. "The distortions are worsening."

"The huge section of the population that feels trapped in an endless unemployment syndrome is bound to become more and more bitter and resentful about the relative affluence of neighbours with jobs and regular incomes.

"The contrasts in living standards have become a threat to the whole fabric of society.

"Changes in consumer spending patterns indicate a marked distinction between the 'haves' and 'have-nots' in our society that used to be based on black/white divisions but which

now transcends racial barriers. "Effectively, it is a distinction between the formal sector and the informal and unemployment sectors of the population."

### Increases

"Workers with formal employment and strong trade unions have seen the gap between their well-being and that of the informal and unemployed masses widening significantly.

"A good deal of the problem has been caused by the fact that in the midst of recession many trade unions have kept pressing for high wage increases which have exceeded productivity.

on a massive scale and to adopt increasing capital intensive production methods.

"The greater political clout which the big business and organised labour sectors possess — relative to the have-nots — has tended to exacerbate the trends towards a two-tier society in a new form.

"There is a brand-new section of the population that is being regarded as a privileged elite, no longer almost exclusively white but now virtually colour blind.

"The trend can only add to the urgency of strategies to encourage economic growth as the sole solid foundation of job creation programmes to tackle the conundrum of gross poverty." □

Per capita living standards back to 1971 levels

Star 23/8/93

# Joblessness at new high

**GOOD news about the recession is offset by the Reserve Bank's chronicle of economic woes.**

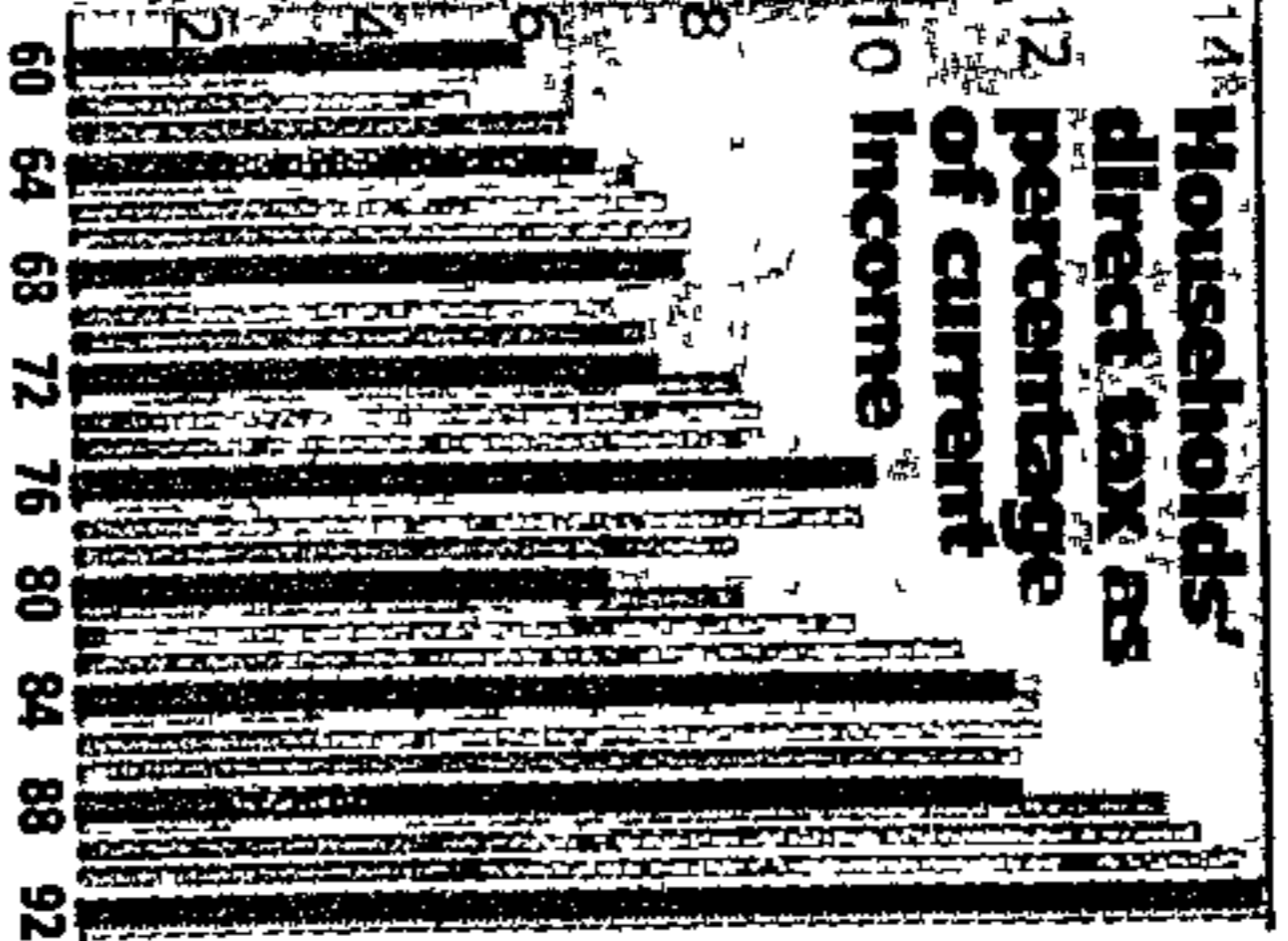
■ BY CLAIRE GEBHARDT

A staggering 46 percent of the workforce was without formal sector jobs in 1992, the Reserve Bank says in its annual economic report.

And living standards per capita are now back to 1971 levels.

Economists said at the weekend the unemployment figures came as a surprise because the most pessimistic official estimates to date had put the rate at around 40 percent.

Levels were probably higher this year, given the current wave of retrench-



ments, they said.

But the good news is that the Reserve Bank has put the official seal on it — the four-and-a-half-year-old recession levelled off in the first half of the year.

The Bank attributes the improvement in real economic growth to a rise in agricultural output related to more

normal weather conditions.

In a grim chronicle of major structural weaknesses, the Bank notes that despite the severity of the recession, real consumption expenditure of general government continued to rise during the downturn.

In terms of gross domestic product (GDP), it reached an all-time high in 1992 of 21.5 percent from an average of 16.5 percent in the 1980s and eased to about 21 percent in the first two quarters of 1993.

Real private consumption expenditure, which declined sharply from the beginning of 1991, recovered somewhat in the first half of 1993, thanks mainly to pre-emptive buying to avoid expected higher prices.

Consumer demand, however, remains fragile because of declining real personal disposable income, low salary

and wage adjustments, job insecurity and a low level of consumer confidence.

Average annualised income dropped to R3 200 per capita — roughly where it was in 1971.

"In 1991 and 1992 the financial position of households weakened considerably as retrenchments rose and the rate of decline in real personal disposable income per capita accelerated from 1 percent in 1990 to as much as 3.5 percent in 1992.

"At the same time, the tax burden of households continued to rise, with direct taxes paid by households on current income increasing to 14 percent in 1992 from 10.5 percent in the 1980s."

Consumer debt rose from a low of 18.5 percent of personal disposable income in the first quarter of 1987 to a high of 28.5 percent in the fourth quarter of 1990.

Gross domestic fixed investment (GDFI), the engine of economic growth, was 40 percent lower in the first half of 1993 than its all-time high in the final quarter of 1981, and 23.5 percent lower than its most recent cyclical peak in the fourth quarter of 1989.

Sadly, stronger growth in productivity in the period 1989 to 1992 was not achieved by greater commitment, but by firms retrenching workers at a quicker rate than the decrease in output volumes.

"Even so, the rate of increase in the real remuneration per worker still exceeded growth in productivity, with the result that real unit labour costs continued to increase."

Nearly 286 000 jobs were lost between 1989 and 1992 — a considerably sharper decrease than in the two recessions of the 1980s.



# 'Millions destitute'

By ANTHONY JOHNSON

**MORE** than 18 million of South Africa's 38 million people are living below the accepted "minimum living level" (MLL) of R750 a month per household, according to the Development Bank of Southern Africa (DBSA).

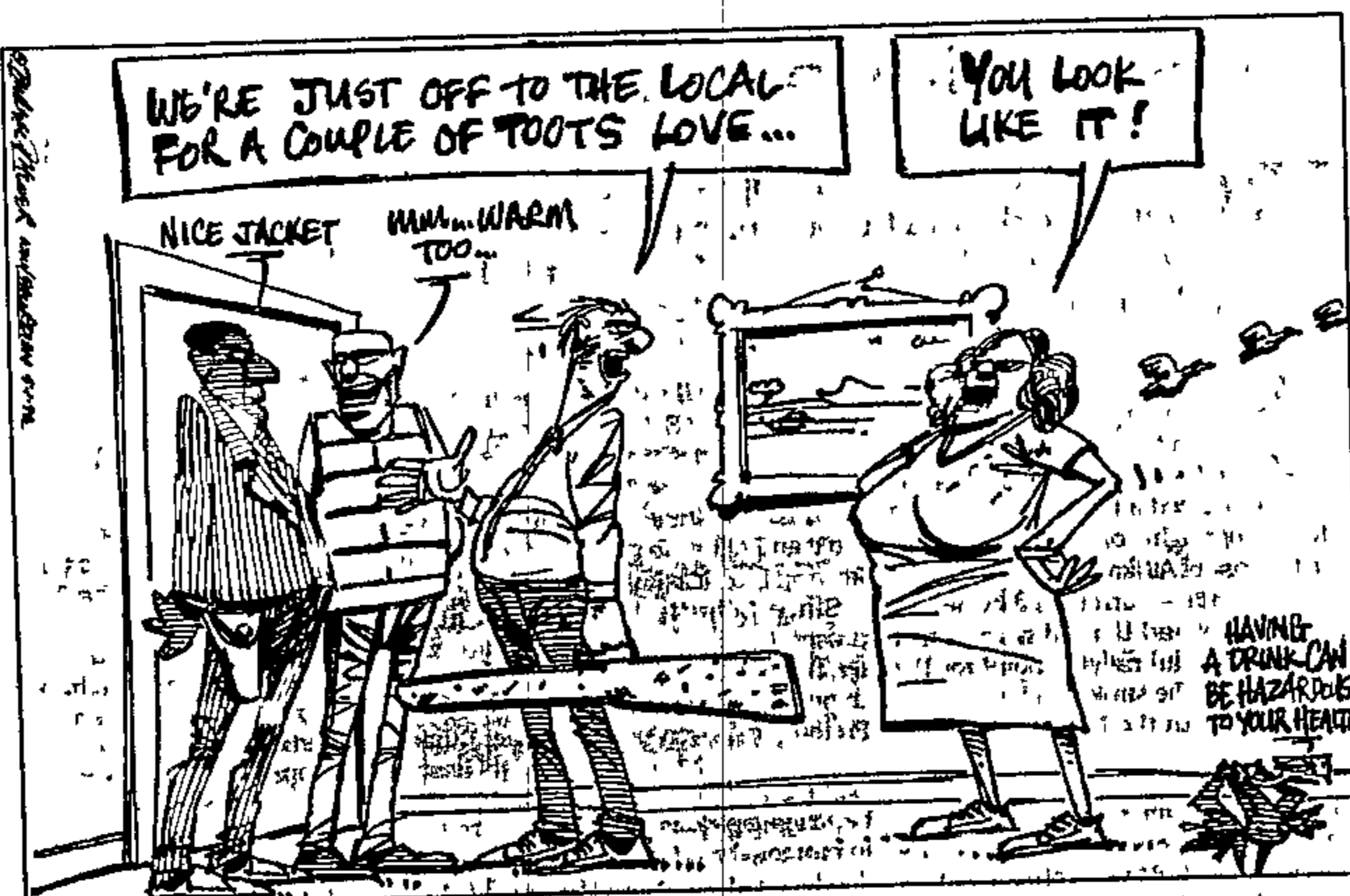
The bank's draft document on "a policy model for human development in SA" released this week notes that black people constitute 95% of those below the MLL, implying that 60% of

this group live in poverty

Between eight and nine million black people are regarded as "completely destitute"

The report notes that a decreasing portion of the growing labour force was being absorbed into the economy, with the problem reaching "critical" proportions in recent years

"In the past two years (1991 and 1992) the absolute level of employment has actually dropped by 266 000," the document states. (242) CT 29/10/92



## SA needs a super scheme to uplift the rural poor

WM 7-13/1994

A potential solution to rural poverty may lie in the formation of a super NGO which encourages people to be responsible for their own development through homestead gardening, argues **Carl Keyter**

**N**OW is the time for all good men to weep for the rural poor. For unless the major players in rural development come up with a workable rural upliftment programme, touching every homestead, there is no guarantee that the impoverished rural masses will end up better off.

Consider the facts.

There is talk of the Development Bank of Southern Africa and the Independent Development Trust climbing into the same bed with the planned formation of a "development cartel" which would directly fund the new post-election government. With bilateral agreements in the offing, the European Commission and the World Bank look to be going the same route.

In this way, these major players are mapping out a rural development course which will inevitably operate through the very government, parastatal and homeland structures which have become the principal agents, not of rural development, but of underdevelopment.

It makes no sense, for instance, to work through soon to be regionalised homeland structures which launch irrigation schemes ending up under the managerial control of "private consultants", who run them at a loss.

It makes just as little sense to create a monocultural plantation economy which employs fewer rural workers and plot holders than the subsistence households displaced to make way for it.

Nor is there any logic in destroying the ecological resource base — the natural vegetation — which can provide a future agri-ecosystem necessary for restoring rural subsistence. Nor in the "betterment planning" approach of closer settlements, which breaks up the mutual self-help relationships between extended families and alienates them from their communal land.

These approaches, implicit in working through existing government structures, are travesties to be avoided.

Also to be shunned are:

- Collective "matze schemes" which leave the majority of plot holders

indebted to rural credit schemes.

- Vain productivity efforts by government extension officers aimed at transforming a subsistence crop, like maize, into an unviable cash crop, under circumstances where there is a livelier demand and higher prices for the kakibos weeds growing between the maize, than the maize itself.

- The equally pointless Development Bank-funded "farmer support programmes" for a rural populace who choose the opposite route to "productivity". They prefer to use a single bag of fertiliser per hectare — to achieve a yield of only two bags per hectare, but a maize value return of 800 percent on that fertiliser investment — rather than the recommended four bags per hectare, which although lifting productivity dramatically gives them a return of less than 100 percent.

If you were a peasant producer, which would you prefer?

The trouble with all these development approaches is that they not only impoverish and confuse the locals, they are also irrelevant in a situation where 25 percent of rural people have no access to arable land, other than the average homestead plot of a quarter of a hectare, and most of the remainder only have an average of 1,8ha per household.

Indeed, the World Bank's answer to rural reconstruction promises to touch less than one percent — 250 000 — of the rural poor classifiable as "serious farmers". Even with the type of land reform which would give the peasant producer a more feasible farm size of, say, 100ha or more, it would only be possible to create a million rural jobs in five years.

It makes little sense to create a monocultural plantation economy which employs fewer rural workers and plot holders than the subsistence households displaced to make way for it.

What happen to the other 95 percent who languish in abject poverty?

It is this 95 percent whose plight can be measured by an abysmally low per capita income on a par with the rest of Africa, by the average of four hours a day spent on fetching firewood from a denuded environment, and by their reliance on polluted drinking water responsible for sickeningly high infant mortality rates.

It is small comfort to them that the European Commission's Micro-Projects Programme, Operation Hunger and the Department of National Health have embarked on massive relief-type operations involving water and food.

These represent the other extreme of rural involvement which promises similarly negative results. The EC programme intends saturating the rural scene with water schemes that cannot possibly be maintained by the poor village communities they are intended to serve. The Health Department's food relief efforts through urban-inspired civic associations and others have left no less than six known fraud charges in their wake.

Neither the EC's "25 percent solution", which expects impoverished villagers to contribute to their own water development, nor the highly politicised "food handout" programme of the Department of Health have achieved sustainable development aimed at the broad economic upliftment of the rural masses.

What then is the answer? It may lie in a super non-governmental organisation, generously supported by both the private sector and the new government, which offers a comprehensive strategy aimed at boosting homestead gardening and poultry production, as rural groups take charge of their own development out of relief-generated "development savings".

The mechanics of such a permacultural approach to rural development is another story.

Carl Keyter was a founder of Kupugani in the 1960s and former investment editor of the Financial Mail. Involved in rural development through the Zimbabwe Children's Welfare Trust and the Intermediate Technologies Small Industries Development Unit, he became director of the University of the Transkei's Bureau of Development Research, from which he launched the African Initiative Development Trust.

# JOBS

# No money, no work, no land and little hope

A Development Bank report on the eastern and northern Transvaal describes a desolate economic landscape, writes KEVIN DAVIE

A STUDY by the Development Bank (DBSA) in the Northern and Eastern Transvaal discloses extensive poverty, with up to 75% of people in the homelands receiving no income

About 75% of black women and 60% of black men in the Northern Transvaal have no income

The employment situation deteriorated markedly between 1980 and 1990 and is still on the decline, says the report. Statistics on living standards and development. Regional poverty profile. Eastern and Northern Transvaal

The survey is part of a World Bank-funded exercise to quantify the extent of poverty in South Africa

The quantification is intended to serve as a yardstick so that the effectiveness of development programmes can be assessed

SA has undertaken poverty studies but they have been mainly of a qualitative nature

The DBSA survey says the rural population of the study area is particularly affected by poverty, but "the situation is by no means hopeless"

The Eastern Transvaal, one of the major employment providers

in SA could offer formal jobs to less than 60% of its potential labour force in 1990. Most of the Northern Transvaal provided jobs for less than a third of the labour force

Labova and Venda employ less than 25% of their potential workers and Gazankulu a dismal 19%

Most jobs are available in agriculture or government-supported community and social services

The public sector is the major employer in the Northern Transvaal, a situation which is unlikely to persist, says the survey

Barriers to wage-market entry are formidable for rural workers. They include lack of transport, cash and information

Farm workers in the Transvaal are mostly poorly paid, cash earnings averaging R175 a month with R55 in-kind remuneration (R3 000 a year)

Women are the poorest, facing severe obstacles when trying to find work

The Eastern and Northern Transvaal regions are at the opposite ends of the economic spectrum, the former being one of the most prosperous, with a strong economic base

In the Northern Transvaal socio-economic conditions leave



POOREST OF THE POOR

women in particular are confronted with severe obstacles when looking for work, says the report

much to be desired", says the report.

The worst poverty occurs in Labova, where 74% of people receive no cash income

Two-thirds of adult blacks in the Northern Transvaal receive no cash income. The figure for the Eastern Transvaal is less than 50%

Although real disposable in-

come increased between 1970 and 1985, people remain desperately poor. In 1992 the annual minimum living level was R2 400 a head. A survival level is more than R1 580 a head

Social grants have become increasingly important for survival. Welfare payments have increased by 41% a year in Venda and 27% a year in Labova since 1984-85

About half of the population is under the age of 15

Nearly a third of rural children in SA suffer from chronic malnutrition which results in stunting. Malaria, bilharzia, tuberculosis and sexually transmitted diseases and AIDS are prevalent

In 1990 infant mortality rates among blacks were as high as 54.3 a 1 000 live births in the Northern

Transvaal and 51.9 a 1 000 in the east.

Homeland government expenditure on health has increased dramatically since 1984-85 with average annual growth of 25% in Labova, Venda and Gazankulu and a 68% annual increase in Kangwane

Average housing density in the Northern Transvaal "is an in-

credible 21 people per dwelling"

The environment of the Eastern and Northern Transvaal has been badly affected by the siting of electricity-generating facilities and other heavy industries, particularly in the east. Water and air quality has suffered

Landlessness is one of the most serious problems affecting the homeland population more than

Picture CEDRIC NUNN

50% probably being without land. Lack of land means people are unable to use property as collateral to raise credit

Land ownership patterns in tribal areas compound the problem. Power relations in a community influence access to communal land, affecting single women in particular

Over-regulation also limits job opportunities

"The proliferation of law-making entities in the study area has created several problems centering on the fact that labour laws lack uniformity, many being outdated"

Solutions should focus on a three-pronged strategy to improve economic growth through job creation and the removal of obstructions facing entrepreneurs

Second, human resources can be developed through improved access to health and education

Third, social security should be provided for the destitute

The Project for Statistics on Living Standards and Development is co-ordinated by the Southern Africa Labour and Development Research Unit (Saldru) at the University of Cape Town and is headed by the World Bank

Regional poverty profiles are being compiled for 12 areas. They will be augmented by a countrywide survey of households



# SA development disparate

Own Correspondent

LONDON. — South Africa's level of human development ranked it about half-way among the 173 countries surveyed in a new report, but the disparity between whites and blacks was comparable to the difference between human development in Spain and the Congo.

"If white South Africa were a

CT 11/6/94  
separate country it would rank 24 in the world (just after Spain). Black South Africa would rank 123 (just above the Congo) Not just two different peoples, these are almost two different worlds," the Human Development Report released yesterday said.

The report is sponsored by the UN Development Programme

South Africa was placed in the

93rd position on the Human Development Index (HDI) compiled by applying a set of indicators such as life expectancy, access to safe water, infant mortality, daily calorie intake, child malnutrition, adult literacy and income

"The HDI disparity between blacks and whites in South Africa is four times that between blacks and whites in the United States," the report said. (242)

# PWV region enjoys 39% of SA's disposable income

Biday

9/2/94

Reports by  
AMANDA VERMEULEN

RESEARCH by the Bureau of Market Research and the Development Bank of SA shows that the smallest of the nine regions, the PWV, has 39% of SA's personal disposable income.

Young & Rubicam said in the latest Media Matters that the study investigated income levels, life expectancy and literacy levels of the nine provinces in conjunction with population density and composition, disposable income and household expenditure.

In spite of the PWV's domination in disposable income, it was rated only third in development terms. Although it was characterised by high population density and economic activity, the disparity between the incomes of the different population groups was still marked.

The Western Cape was rated the "premier province". People in this region had higher living standards and longer life expectancies, and appeared better equipped to combat unemployment.

The Northern Cape, the largest province, had the lowest population density. However, literacy levels were among the highest, with more than 67% of the population over 13 years of age having at least a Std 5 qualification, compared with the national average of 61.4%

The Free State, by contrast, had a literacy level lower than the national average, at 60% — a reflection of a largely black rural population

"Despite the Free State's fourth place ranking in development terms, there is a need for further development to improve living standards, particularly in the black community," the study said.

While the Eastern Transvaal was similar to the Free State, Unisa researchers said it was the fastest growing region, having more than doubled its share in total economic activity within 20 years

In KwaZulu/Natal, which had the

second highest population density, disparity between incomes in the white and black groups was large. The average black earned only 10% of the average white income of R26 790. But the region was rated second to the PWV in terms of total household expenditure (242)

The Northwest province had the third lowest literacy levels but the third highest life expectancies.

The Eastern Cape, the second largest province, had a low income per capita and the lowest life expectancy of all the provinces (242)

The Northern Transvaal had the lowest disposable income, with a typical Third World household expenditure pattern. "One third of spending is allocated to food — higher than in all the other provinces"

Y&R said that while all the provinces had different profiles, a common thread existed with the imbalances between the population groups, a factor that would have a major effect on media selection.

# The great divide — SA-style

ANDREA WEISS,  
Staff Reporter

**A** DECADE ago, the Southern Africa Labour and Development Research Unit (Saldru) at the University of Cape Town jolted the nation's conscience with information gathered for the second Carnegie inquiry into poverty.

Yesterday, Saldru released *South Africans Rich and Poor: Baseline Household Statistics*, revealing more than ever before about the socio-economic gulfs dividing South Africans.

In 1984, the second Carnegie inquiry became the subject of heated debate, pinpointing as it did the urgent needs of South Africans. It highlighted basic needs such as food, water, shelter and the political questions of ur-

flux control, land reform and citizenship.

In the past 10 years, those basic needs have not changed much. But now, because a political settlement has been reached and problems of citizenship and influx control are history, there is an urgency about addressing those basic needs.

It is worth recalling that the original Carnegie Commission (also known as the Poor White Commission) in the early 1980s was instrumental in helping the government of the time to come to grips with poverty then.

Those involved in the latest work, both locally and abroad, are hoping the newest project will do the same for this government.

The multi-million rand project was funded by the Dutch, Danish and Norwegian governments through the World Bank, following a meeting be-

## □ New report looks at the gulfs in our society

A new report revealing more than ever before about disparities in South African society has just been released. Entitled *South Africans Rich and Poor: Baseline Household Statistics*, it is expected to underpin the reconstruction and development programme.

between deputy president Thabo Mbeki and officials of the World Bank in 1992.

Data was gathered throughout South Africa, including the former homelands, covering all races and income groups after a questionnaire went through 12 districts and three pilot studies.

*South Africans Rich and Poor* is a statistical summary of the results of a survey of 9 000 households in the nine months leading up to the April elections.

As companion pieces, there are also 13 other volumes focusing on each of the nine regions and on energy, nutri-

tion, urbanisation, housing and water supply.

The body of information is vast, ranging from how long it takes people to gather firewood or to get to work to how much debt people have; how much money is spent on education, what kind of dwellings people live in, who has flush toilets, who employs whom, what sort of agriculture is practised by whom and who owns the land.

One section alone deals with remittances or money sent to support families, particularly in the rural areas. Data from this section is expected to inform policy mak-

ers about how the poor are coping, given the prolonged economic crisis in the country.

Professor Francis Wilson, director of Saldru and chairman of the steering committee drawn from all three universities in the Western Cape, describes it as the country's first body of "hard statistical information" on the state of play in the country as a whole.

The statistical report, for instance, is able to pinpoint that in the Northern Transvaal, piped water is what people want ahead of jobs, electricity and roads.

Housing in that province, which is shown to be the poorest in the country, is only seventh on the list of priorities. Food and schools are seen to be more important.

By contrast, perceived priorities in the Western Cape, are jobs, housing and then an end to violence.

All provinces, bar the Northern Transvaal, put jobs as the number one need.

It shows that those provinces which have to incorporate old homelands, which were massively under-developed on the ground, will have the greatest amount of catching up to do.

The study also breaks down information by race, revealing the disparities which exist in the wake of apartheid. Whites own land, can raise bank loans and are more worried about crime.

Blacks are dispossessed, have debt relating to hire

purchase and grocery purchases and are predominantly involved in unskilled labour and the informal sector. Perceptions are also interesting.

Whites said they wanted an end to violence more than anything else. All the other racial groups said "jobs".

Whites felt they would become poorer under the new dispensation. Everyone else believes their lot will improve under the new government.

The report fires a salutary warning to any complacency on the part of government.

The most disaffected group of people in the country are Africans, both urban and rural, 40 percent of whom said they were "very dissatisfied" with their quality of life.

Professor Wilson believes the report is a vital tool for reconstruction and development in South Africa.

## First RDP projects revealed

By BARRY STREEK,  
Political Staff

THE first concrete Reconstruction and Development Programme (RDP) projects, totalling R59.42m, were disclosed by the Department of Water and Forestry Affairs on Friday.

The RDP presidential projects will go to 12 water provision projects in rural and semi-rural areas in different parts of the country. The total cost of the projects, when completed in four years time, will be R284.4m.

The department's announcement follows a statement in Parliament this week by Water Affairs and Forestry Minister Prof Kader Asmal, that the cabinet had approved 12 of 16 RDP projects his department had submitted.

This follows findings that 7,7% of rural Africans had piped water and that white and black rural people regarded the supply of clean water as the most urgent priority after jobs.

It was also found that 14,3% of rural Africans got water from rivers or streams.

# Survey shows Cape poverty

CT 29/8/94

Whites spend 3,2% of their budgets on holidays and jewellery and blacks spend 0,6%. Almost 10% of the white household budget is spent on insurance, but this is only 0,9% of black budgets

The survey showed that whites spend 8,4% on personal expenses including cigarettes, alcohol, entertainment and newspapers, while blacks spend 6,7%, Indians 8,8% and coloureds 9%

The survey showed that 45,6% of blacks aged 14 and older have completed standard six, 64% of coloureds, 81,4% of Indians and 89,7% whites. Figures revealed that 27,3% of blacks aged 16 plus have completed standard eight, 37,2% of coloureds, 63,9% of Indians and 83,4% of whites

But only 11% of blacks aged 18 plus have completed standard ten with 15,5% of coloureds 40,1% of Indians and 61% of whites.

The survey also showed that 16,7% of blacks and 9,3% of coloureds between the ages of 15 and 19 were pregnant, but no whites sampled in this age-group were pregnant

## Dramatic differences between race groups

coloured, 54,1% Indian and 71,1% white

The average monthly household income for blacks is R1 005, coloureds R2 057, Indians R4 009 and whites R6 394. The average monthly household expenditure is R1 111 for blacks, R1 854 for coloureds, R3 306 for Indians and R4 742 for whites.

Whites spend 20,3% of the household budget on housing, blacks 9,9% and coloureds 13,7%.

Over 50% of the black household budget is spent on food, while this figure is 22,1% for whites

### Staff Reporter

ONLY 37,3% of black households in the Western Cape have access to piped water and the region has the highest percentage of black households with bucket toilets, a study on living standards has revealed

The survey of 9 000 households across the country was conducted by the South Africa Labour and Development Research Unit at the University of Cape Town

It showed that 100% of white households in the Western Cape have internal piped water and flush toilets, but only 67% of black households have flush toilets. Over 25% of black households in the Western Cape have bucket toilets and 6,3% have no toilet facilities at all

Only 53,6% of South African households have access to electricity — 36,5% of black; 86,2% of coloured, 100% of Indian and 99,8% of white households

Nearly 43% of all South Africans aged between 16 and 64 are employed — 35,4% black, 54,6%

# Call for protection of intellectual rights

Ingrid Salgado

A GROUP of professional photographers are petitioning the Constitutional Assembly to incorporate a clause protecting the intellectual rights of creators of scientific, literary and artistic material in the new Bill of Rights

The petitioners said that such rights were fundamental to human rights and should be inviolable. The protection of intellectual rights was excluded from the working draft of the new constitution published towards the end of last year

The clause that the Institute of Professional Photographers of Southern Africa wanted inserted derives from the UN's Universal Declaration of Human Rights, adopted and proclaimed by 48 countries in 1948

BD 22/1/96 (242)  
It reads: "Everyone has the right to the protection of the moral and material interests resulting from any scientific, literary or artistic production of which they are the creator"

Legal Resource Centre constitutional litigation unit director Wim Trengove doubted intellectual rights would receive special attention in the constitution in their own right

"The interesting debate will be whether they are covered under a general property clause. Intellectual property rights are a form of property rights — which of course are at the centre of a controversial debate," he said

The interim constitution currently protects all property rights but the courts have yet to interpret whether this includes intellectual property

Trengove said few constitutions in the world would protect intellectual rights, but whether it was desirable to protect them was a different matter. "A Bill of Rights is generally designed to protect the underdog, and people who own intellectual property are not really regarded as such"

Intellectual rights are currently fully protected in SA under legislation covering copyright, patents and trademarks. "I have not heard anyone complain that the legislation is inadequate, except perhaps McDonald's," Trengove said

It was unlikely that the constitution would prohibit employers from claiming copyright on material produced by their employees, he said. Contracts usually provided that the employer had rights to the employee's material

# Crime wave hits SA's poor the hardest

OWN CORRESPONDENT

Durban - South Africa's poor are bearing the brunt of violent crime, a new report by the Institute for Security Studies (ISS) has found.

The impact of crime varies depending on who you are and where you live, with profound implications for tackling the problem.

"There is overwhelming evidence that the poor bear the brunt of violent crime more than anybody else," says senior ISS researcher Antonette Louw.

"And even though poor people have less property to steal, when they become victims of theft they suffer the greatest negative impact."

The poor, the majority of whom are black, are doubly disadvantaged by weak policing in township areas. 74,6% of police stations remain in white suburban areas.

And the impact of better security would be limited since the poor are more likely to be victimised by people they know or live with. A 1995 HSRC survey showed 42% of very poor people know their offenders, against six percent of people in the highest income group.

There is little recognition of the impact of crime on millions of people with little access to the media, press groups or government.

*Stolen Opportunities: The Impact of Crime on South Africa's Poor*, a

report by Ms Louw and Mark Shaw, director of the ISS's Crime and Policing Programme, is the first to delve deeply into the issue.

It is part of the Report on Poverty and Inequality in South Africa, a major study commissioned by Deputy President Thabo Mbeki's office into blockages that are slowing down poverty relief. Funded by Britain's Department of International Development, the United Nations Development Programme and the World Bank, the full report will be handed to Mr Mbeki soon.

Despite the prominence of crime as an issue, says Ms Louw, surprisingly little is known about it.

In the former bantustans, there is no data prior to 1996. And according to the 1996 data, parts of the country not generally believed to have a crime problem - like the Northern Cape - display per capita crime levels far higher than elsewhere.

Northern Cape residents stand more chance of being murdered than the average South African, more than three times the chance of being seriously assaulted, and nearly double the chance of being raped. The province also has the highest reported levels of child abuse and child rape, according to the 1996 statistics.

Most serious crime in South Africa, say Ms Louw and Mr Shaw, began to increase from mid-1980. The collapse of apartheid boundaries in the early 1990s allowed township

crime to move into suburbs, where it is more likely to be recorded.

Recorded crime increased phenomenally from 1990 to 1994. assault by 18%, rape by 42%, robbery by 40%, vehicle theft by 34% and burglary by 20%. Since 1994, it appears that while many crimes are on the increase, several serious crimes - notably murder, armed robbery and vehicle theft - have stabilised.

Since 1994, Gauteng, Northern Cape, KwaZulu Natal and Western Cape have had the highest murder rates.

## *'The murder rate appears to be increasing in the Western Cape'*

The murder rate has declined in Free State, KwaZulu Natal, Gauteng and Northern Province, but appears to be increasing in Mpumalanga, North West and the Western Cape.

The highest rates of serious assault are in Western and Northern Cape, and have been steadily increasing in the latter. Most rapes occur in Northern Cape, Gauteng, Western Cape and Free State.

By far the highest rates of aggravated robbery are in Gauteng,

followed by ~~in~~ lower levels in KwaZulu Natal and Western Cape. Housebreaking is increasing in many provinces, with Gauteng worst afflicted and rates in Western Cape also high.

While crime rates are usually higher in cities than in rural areas, a 1994 analysis showed higher violent crime rates in non-urban areas of Northern Cape, Western Cape and KwaZulu Natal, the latter explained by the spread of political violence to rural areas.

The predominance of violent crime among the poor is reinforced by data indicating that the proportion of crimes in which no injuries occur increases with income: 36,2% of the poorest income reported no injuries compared to 77,3% of the highest income group, according to the 1995 HSRC survey.

Areas inhabited by the poor are less likely to have the kinds of infrastructural development - such as street lighting and urban planning - that facilitate crime prevention.

Women in rural Northern Province rated electrification as a priority in reducing their vulnerability to physical attack and sexual assault. Also, walking long distances to collect water and firewood in rural areas increases women's chances of victimisation. Basic utilities and infrastructure in informal settlements such as telephones and roads, would greatly increase safety

and facilitate policing.

In the Eastern Cape, and the former Transkei in particular - which is below the national average in almost all categories of crime - significant improvements to very weak police services would greatly enhance the position of the poor. Prominent crimes are stock theft and taxi violence.

In that area, only 33 police stations serve more than two million and 19 of them don't have a telephone or fax.

So the impact of crime on the country is not uniform, and affects different parts of society in very different ways. "This implies that since not all South Africans are exposed to equal dangers, different strategies will need to be devised in particular areas to curb crime," says the report. It is essential that efforts to combat crime be devolved down to local and provincial police level and comprise carefully targeted programmes aimed at preventing prevalent causes and types of crime.

"Crime patterns in Northern Cape suggest the solutions will not lie in more aggressive policing."

There, violent crime is associated with alcohol and familiarity among victims and offenders. Most murders are committed with knives and are described as "assaults that go too far." This indicates that targeted anti-alcohol strategies, for example, could be more effective.