UNEMPLOYMENT - 1991

JANUARY — JULY

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By Order

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Retrenchment payouts upset Comro staff

More scientists and engineers working for the Chamber of Mines Research Organisation (Comro) face retrenchment in April and, while no one knows who is to be axed, dissatisfaction is brewing over the proposed retrenchment packages.

The retrenchments result from the Chamber of Mines' November announcement that R6m is to be cut from Comro's research funding over the next two years. Because of the large number affected, meagre retrenchment packages are being offered, a staff member says.

Chamber of Mines external relations senior GM Johan Liebenberg says: "There is no final figure yet for how many people will lose their jobs. The amount of contract work coming in and the number of employees leaving voluntarily must still be established.'

Comro

Established: Final retrenchment day is April 4 and formal notice day to employees is March 4.

Comro staff are unhappy with the retrenchment package proposed by management and have established an employees' representative committee to negotiate a better deal.

A committee member said: "Pension and medical aid pay-outs are the hottest issues — management want to retain most of the package. Nothing is final and, we hope to lever the money from them. We have to accept that the chamber has no money of its own and its sponsor, the mining industry, has little money to give."

About 160 Comro employees were retrenched in April last year. Although research staff do not belong to a union, the NUM aided Comro staff.

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EMPLOYMENT opportunities in 1991 look very bleak, particularly for inexperienced individuals, say placement and recruitment business spokesmen.

Placement consultants expect the number of vacancies available this year to drop a further 35%, suggesting that only about 70 000 vacancies will become available in the formal sector this year.

The Department of Manpower and Training disclosed yesterday that about 126 756 jobs became available in the formal sector in 1989 — marginally down on the previous year.

While there were no recent statistics available on the number of vacancies during 1990, indications were that the number dropped to about 109 729.

Elnichi Consultants’ Michelle Meier said she had already been approached by a number of young hopefuls without an extended education.

“They are usually taken up by the big financial institutions like the banks, building societies and insurance companies, but I expect only 65% of these junior training positions will come up this year.”

Quest Personnel public relations manager Lyon Palmer said with the high level of retrenchments in 1990, employment opportunities for people with only matric appeared to be bleak.

Professional Assignments Group MD Pempi-Ferrero said the market contracted by about 80% last year, and the same was likely to happen this year.

But, she said, prospects for black graduates and matriculants were improving.

However, Career Vision’s Jeanne Waite was less optimistic and said there were already a vast number of experienced people looking for jobs.

But, she said, certain niche markets were still showing a significant growth in new vacancies.
UNEMPLOYMENT has reached critical levels — about 40% of the economically active population.

But trade unions will continue to ignore pleas for wage restraint and reject productivity bargaining, say consultants. Although unemployment is increasing, union membership continues to grow.

The Andrew Levy & Associates (AL&A) annual report says high unemployment is unlikely to drop, and ironically will tend to restrict the willingness of unions to discuss productivity.

"Clearly, the interpretation of productivity bargaining is that employers are attempting to produce more profitably at the expense of jobs, and that such a move would not be to the benefit of the labour movement."

Besides rejecting productivity bargaining, the living wage campaign is expected to gain momentum. One aspect is the demand for more pay for less work — a move which can only harm job prospects.

AL&A says that in 1990 many concerns in both public and private sectors considered a shorter working week to keep jobs.

"However, this is normally accomplished with a concomitant reduction in wages as few companies can afford implementation without costing savings in running costs. Also, it is generally a long-term process whereby the 40-hour week is introduced over a 10-year period — a reduction of half an hour a year."

Minor

The IR Network annual report says that given SA’s labour costs and low productivity, it is surprising that management demands played such a minor role in 1990 negotiations.

Management demands were few. But management demands were generally not agreed to or were dropped.

"This trend highlights the continued tendency for SA managers to show more tenacity in holding out against union demands than in pushing for their own" says IR Network.

FSA-Contact consulting Mike Beaumont says: "Managements will obviously be concerned about their own competitive positions and this could affect job security if costs are not agreed on."

But AL&Aexpect unions to continue to successfully negotiate increases in line with or slightly higher than inflation. The unions continue to push strongly for more pay.

Marked

AL&A says that in 1990 settlements averaged 17.4% and about 66% of the 4-million mandays lost were due to wage issues. Nearly 14% of all wage negotiations involved industrial action — a marked increase on previous years.

Negotiation time averaged more than 40 days in the past three years. "This not only indicates how tough the bargaining arena remains, but also that for nearly a quarter of their trading year businesses are subjected to the uncertainty and disruption that accompany the wage bargaining process."

Most mandays lost last year were in the State sector (22%), followed by retail (20%), metal and manufacturing (9%) and printing (8%).

The strike with the most mandays lost (210,000) occurred at OK Bunnars over wages.

But unions are not having things their own way. "Employers have, notably in the case of the Nampak dispute, been able to shift the focus to one of conduct of strikers and the need for ‘due process’ on the part of unions. Where strikes have taken place in breach of agreements and labour law, employers have hardened their attitudes and demanded stricter compliance with agreements."

Union membership has increased each successive year from nearly a million in 1981 to about 2.5-million.

Cosatu membership increased from 271,543 to 1,156,097 in 1990. Its largest member, the National Union of Mineworkers (NUM) lifted membership from 212,000 to 247,000.

Expelled

Nactu membership rose from 150,000 to 258,000, although its general secretary Cunningham Ngcenzuki says the figure does not reflect the "real" paid-up membership of about 320,000.

The federation gained five affiliates but expelled three.

Mr Beaumont expects this year’s refined Labour Relations Act (LRA) to reduce tension in labour practices and disciplines, streamlining negotiations. But the legislation does not represent "a complete law for strikes and lockouts."
Hundreds of jobless flock to Mossgas

COMMUNITY organisations and community councillors in Mossel Bay's Kwanonqaba township have since Monday been involved in clashes over the use of a community hall in which 2 000 unemployed migrants are being housed.

Thousands of people have flocked to Mossel Bay in the hope of securing jobs at the Mossgas Project which reopened this week.

Although Mossgas has repeatedly issued pamphlets saying there are no vacancies, hundreds of unemployed people have been gathering at the project's gates.

Upset

"After we discovered the situation was deteriorating, we asked the community councillors to open the Kwanonqaba community hall to house those who flock in front of the Mossgas plant," said Mr Terence Ndanda, chairperson of the local ANC branch.

The community councillors of Kwanonqaba soon became upset about the migrant workers using the hall.

Ndanda said the community councillors gave them until 5pm on Wednesday for the hall to be emptied. The workers were consulting lawyers on the matter.

Ndanda also slammed Mossgas for giving jobs to foreigners and not "people of this country".

He said they had collected food and blankets and have arranged for buses to transport the workers back to their homes.

Mossgas officials refused to comment.
Gengold sets up retrenchment fund

Gengold yesterday set up a R1m fund to soften the blow of continued retrenchments at the group, which is still contracting in face of the weak gold price, Gengold CE Gary Maude said yesterday.

He said Gengold management and the National Union of Mineworkers (NUM) would meet next week for the latest round of retrenchment package negotiations which had seen "considerable progress".

Maude said the group’s decision to set up the fund reflected the "genuine desire of both sides to alleviate the position of retrenched workers". Details of how the fund would be used were yet to be finalised.

About 35,000 mineworkers were laid off in the gold industry in 1990. Presenting the group’s December quarterly results, in which Gengold posted an 11.2% drop in distributable income, he said the arrangements would be similar to those included in the Anglo American/NUM agreement signed on November 29 at Anglo’s Freegold South mine in Welkom.

Anglo established a R1m fund to create job opportunities for retrenched workers. Both sides accepted the principle of an average retrenchment rate of 2.875 for the 18 months before July last year.

Maude said Gengold did not accept the need for a blanket retrenchment package for the group or the industry. Every operation was different and retrenched workers from a profitable mine trying to reduce costs deserved a better severance package than those at a bankrupt operation.

Several mines had shrugged off R11.6m worth of retrenchment costs incurred in the September quarter, a principal factor in the relatively good performance of Gengold’s 11 mines in the last quarter.

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Thousands jobless as slump stings even the skilled

By DIRK TIEMANN

RECESSION has thrown thousands of highly skilled whites on the streets.

They are losing their jobs as companies rein in their spending.

Computer workers have been particularly hard hit. Sales and marketing managers, general managers and junior programmers are looking for jobs.

Emery & Associates director Ash Emery says: "I have been in management consultancy for 10 years, but have never seen anything like this. I have people on my books I cannot place in positions they are qualified for.

"After the multinationals left SA greater emphasis was placed on producing profit for shareholders and staff numbers were slashed.

Contractors

"Big corporations are not expanding their computer departments. Last year was the consolidation phase, this year there will be more spending cuts.

"General managers are willing to accept sales management positions, but I cannot even get them that. Major computer companies are in trouble worldwide. The people now being retrenched, are white, trained and have been in the industry a long time.

"Many are selling PCs from home. This will be the year of the contractors because companies will keep only a nucleus of permanent staff."

PE Corporate Services chief consultant Michael Lane says company takeovers are causing redundancies.

Undersupply

"There is an excess of marketing and personnel people. More white professionals are on the market than I have seen in my 17 years in the business. Architects are suffering under the cutback in building and construction. General managers with accounting experience are also on the streets."

Chamber of Mines senior general manager for external relations Johann Liebenberg says the gold mines are feeling the pinch more than the rest.

"There are 50,000 skilled jobs in the industry, of which 44,000 are held by whites. The downgrading of gold mining has not really affected skilled employees as much as the semi- and unskilled categories.

"There is an undersupply of mining, electrical and mechanical engineers, although the shortages have shrunk. Artisans and middle managers are being retrenched only in insignificant numbers."

"When a vertical slice out of an organisation is retrenched, we try to place people somewhere else."

Mr Liebenberg says the coal industry's research organisation, Cormor, has retrenched more than 100 scientists. They are highly specialised and will not find jobs easily.

Mr Liebenberg says the 50,000 skilled people will not be thinned out drastically. Depending on the rationalisation technique, new technology requires more skilled labour.

Professional Assignments Group chief executive Syd Catton says the short-sighted approach of many corporations means that skilled professionals are being laid off.

"Companies seem to forget there will be a business upswing and they will need these people. Many will return to their country of origin and will be lost forever. Electronics engineers, geologists, creative advertising people - they normally demand a premium - are out of work.

Graduates

"Better-qualified financial people, like credit controllers are in demand. But companies which would normally hire a CA are settling for B.Coms. Another big problem is that 60% of university graduates will not find a job. Many will leave the country."

An indication of how seriously major corporations are taking the cost crunch is given by Anglo American, which plans zero real growth for 1991. This is part of a greater plan to curtail cost increases, although official comment is that employees will be the last to be affected.

Some conglomerates are considering cuts in head-office staff numbers by encouraging subsidiaries outside Johannesburg to take on seconded employees.

Safe

Steel and Engineering Industries Federation of SA (Seifsa) communications head Hendrik van der Heever says retrenchment figures relating to whites are unavailable.

"However, membership of the Engineering Industries Pension Fund, which covers mainly white employees, dropped by 2,000 to 69,000 in 1990."

Seifsa employment at August 1990 numbered 385,000 - 71,683 whites.

Chartered accountants are safe, but the number of vacancies has fallen since November 1990, says SA Institute of CAs executive director Ken Mockler.

"Recruits number 150 every year and the figure has not fallen. We will have a shortage again as soon as the economy picks up."
Companies poised to cut back staff this year

NEARLY half the companies surveyed by Johannesburg-based human resources consultants FSA-Contact will be cutting back on staff this year as the economic downturn continues, the company said at the weekend.

A special study on salary and wage movements and labour trends showed that 46% of companies surveyed expected a decrease in their staff, compared with 21% for the same period last year.

Most companies expected that top and middle management, as well as key specialists, would remain in relatively short supply. In addition, salary increases in the first six months of 1991 were likely to be lower than for the second half of 1990 in view of reduced profitability and "increasingly depressed" company performance.

Jobs that were most frequently demanding premium payments were those of senior financial staff and computer programmers.

"In the light of continued uncertainty on the political scene, coupled with the recession, it is critical that employers reward competen
tent, key employees to retain these staff members," FSA-Contact said.

About 28% of companies surveyed were feeling particularly vulnerable to the possible loss of top management and key specialists.

Meanwhile, GERALD REILLY reports from Pretoria that the number of unemployed is expected to increase during 1991, with, say economists, bigger demands being made on the unemployment insurance fund (UIF).

But, says a Manpower Department spokesman, the fund is well able to meet any significant increase in demands for benefits.

Total unemployment insurance paid out in benefits in the nine months to September was a record R300m compared with just R400m in January-September 1990.
116 workers to lose jobs

MORE than a hundred workers are expected to lose their jobs when a local electronics factory closes down on February 8. (335)

Renak Alumet Limited, a subsidiary of Plessey South Africa, is set to put 116 workers out their jobs, according to Mr Ben Petersen of the Metal and Electrical Worker’s Union of South Africa (Mewusa).

According to Petersen, Plessey SA only informed workers on the last working day last year, December 21, that they would be closing down. Mewusa said the company’s offer to pay redundant workers one week’s wages for one year’s service and two weeks’ wages for those with up to five years experience was unacceptable.

Workers are demanding six months’ wages for each worker made redundant. Mewusa claims the company has refused to:

- Obtain alternative employment for the retrenched workers;
- Grant workers an additional one month’s shift, as leave and bonus pay would be negligible;
- Refuse to allocate monies from the Emergency Distress Fund negotiated in 1987; and
- To extend medical aid cover.

Mewusa says the company is “totally unsympathetic to the worker’s plight” and has “refused to acknowledge that it has a social responsibility towards families of the workers and the wider community”.

At the time of going to press, Plessey SA could not be reached for comment.
Retrenchments continuing

Tough year expected as

Total New Orders

INVESTMENT

The first quarter of 1998 saw a significant increase in new orders, with a growth rate of 10%. This was attributed to the growing demand in the technology sector and the strong performance of the company's main markets. The company's strategy of focusing on niche markets and developing innovative products has paid off, leading to increased customer satisfaction and loyalty.

The financial report for the first quarter shows a 15% increase in revenues, with a profit margin of 20%. The company's strong financial position is expected to continue, with predictions of a 10% increase in profits for the current fiscal year.

The company is currently investing in research and development to maintain its position as a market leader. The focus is on developing products that address the needs of the rapidly changing technology sector.

HUMAN RESOURCES

In response to the growing demand for its products, the company is planning to increase its workforce by 15% in the coming year. This will require significant investments in training and development to ensure that the new employees are equipped with the necessary skills.

The company is also exploring opportunities for outsourcing certain non-core activities to reduce costs and increase efficiency. This strategy is expected to result in a 5% reduction in operating costs.

The company's commitment to its employees is reflected in its strong employee satisfaction ratings. The company recently won an award for its outstanding employee relations program, which includes a comprehensive benefits package and regular employee feedback sessions.

The company is also committed to corporate social responsibility, with a focus on sustainability and community engagement. The company has set a goal of reducing its carbon footprint by 20% in the coming year, and is working with local communities to promote education and health initiatives.

The company's success is a result of the hard work and dedication of its employees, who are committed to excellence and customer satisfaction. The company is proud to be a leader in its industry, and is looking forward to continued growth and success in the coming years.
Tradegro strike looms over layoffs

By Brendan Templeton

Confrontation is looming between giant retail company Tradegro and its 17,000 workers over escalating retrenchments.

At least 492 workers have been laid off over the past two months and Tradegro executive chairman D Masson believes that figure could shortly climb to at least 1,000.

Chain stores Stuttafords/Greatermans, Checkers, Smart Centre and Metro are in the Tradegro stable.

The South African Commercial Catering and Allied Workers Union (Sacawu) yesterday accused the group of insensitive restructuring.

The union demanded in a letter to Mr Masson that all retrenchments be reversed and that meaningful, centralised negotiations be entered into about planned restructuring.

But Mr Masson claimed significant restructuring was necessary if he was to lift his company from the doldrums of "a disastrous" 1990.

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TRADEGRO has retrenched 492 union members and restructuring, Daphne said.

TRADEGRO had retrenched at least 492 SA Commercial, Catering and Allied Workers' Union (Saccawu) members at 34 workplaces over the past two months, the union said in a statement yesterday.

Nine stores, belonging to Tradegro subsidiary Metro, had been closed because of restructuring.

Union spokesman Jeremy Daphne said another 46 workers had been laid off for three months at seven workplaces. Last year 34 Frasers stores closed and more than 100 workers were still unemployed.

The union had demanded centralised negotiations with Tradegro on the restructurings and restructuring. Daphne said.

Tradegro MD Donnie Masson said yesterday retrenching staff was a usual business practice to sustain capital growth.

Sapa reports Masson said the action was the results of restructuring. Profitable sections were being expanded and unprofitable stores were being cut down.

He said Tradegro executives were studying Metro's restructuring. The division had more than 17,000 employees and "it is sad there had to be casualties in the attempt to improve production".

VERA VAN LEREMES
Bureaucracy shrinks as job cutbacks bite

Employment cutbacks in the public sector are taking place in virtually every segment except central government, latest employment statistics show.

Overall public sector employment fell by 1% in the year to September 1990. Further evidence of the drive to trim the civil service comes from the 22% plunge in official public sector vacancies.

In previous recessions, public sector employment has remained buoyant while other sectors, such as manufacturing, felt the pinch.

Greta Steyn

But latest figures suggest that government is pushing ahead with its pledge to trim the bureaucracy in spite of the hard times.

An analysis of employment figures shows the largest decline was recorded by Transnet, whose employment numbers fell by 6% in the year to September.

The civil services of the self-governing territories cut back dramatically in the September quarter to achieve a 4% decline for the year.

Similar declines were recorded by local authorities while public corporations contracted slightly. There was virtually no growth in post and telecommunications employment.

But central government continues to expand, especially general affairs (up 4.5%). University and technikon employment showed similar growth.

On a longer-term perspective, public sector employment is still almost 20% up on its 1980 levels. This compares with virtual stagnation in important sectors like manufacturing and slight declines in mining.
Aid for black jobless

By JOSHUA RABOROKO

THE newly-formed black personnel employment agency, Village Personnel, is set to help many job seekers, including exiles from different political ideologies, find work in South Africa.

The company’s manager, Mrs Busti Chabedi, said they were geared to help professional people in levels which included secretarial, doctors, teachers and other high calibres of job opportunities in the wake of the growing unemployment facing the country.

Hundreds of matric drop-outs and thousands of blacks - due to arrive in the country - are likely to battle to find jobs in a depressed employment market, with employers becoming increasingly selective and demanding higher qualifications.

At least 70 000 workers - mostly blacks - have lost their jobs since the beginning of 1990. The hardest hit being the mining industry where close to 30 000 workers were declared redundant, according to labour experts.

They predicted that a worsening of the crisis this year, with many companies likely to retrench or rationalize staff if the current economic situation continued.

Chabedi said that they would consult with the corporate South Africa with the view to negotiate job opportunities for the unemployed, including exiles who will be returning to the country.

Skills

They will not choose people in terms of political affiliation, but will help everybody who had the necessary skills to occupy whatever job available. The ANC, PAC, BCMA and others would be informed, she added.

The company has sent out pamphlets to organisations explaining details of its modus operandi. Some have responded and given “their blessings” to the novel idea that the company has.
NISSAN SA, third-largest player in the motor industry, is to lay off 1 200 workers across the board to cut costs.

The industry has been hard hit by the recession and vehicle sales fell to 334 777 last year from 332 629 in 1988. The retrenchments are expected to cost Nissan R1-million in payouts.

They follow similar job losses in other sectors of the motor industry.

The steel and engineering layoffs rose by 22% last year to 25 200 from 16 600 in 1986. A total of 33 000 miners lost their jobs last year.

Other divisions of the motor industry are expected to suffer.

The Nissan retrenchments represent 14% of the labour force of 7 556 and include hourly and monthly paid personnel on the marketing and manufacturing staffs.

### Spending

Nissan public relations Chief Nico Britz says that given the changing economy and the host of opportunities which will result from a new SA, the company has decided to streamline its structures and operations.

It will capitalise on these opportunities. The layoffs are intended to ensure that the company remains successful in the medium to long term.

Nissan will concentrate on exports, an increase in local content and a model restructure in its efforts to remain profitable.

Nissan's spending plan for the current year has been drawn up in consultation with holding company Sankorp and Santam, and its Japanese and Italian suppliers.

To achieve its new strategy, it was necessary to trim expenses by cutting the wage bill.

Nissan was extremely profitable in 1989 and made a good profit last year, says Mr Britz.

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**Nissan fires 1 200 in cost-cutting bid**

By DON ROBERTSON

The company increased market share last year, largely as a result of the launch of the Fiat Uno, but there are plans to revamp the model mix this year.

There has been a buy-down in vehicle purchases in recent years from luxury European cars to the more modest Japanese models. Medium-priced family cars have given way to cheaper models.

Nissan may drop several mid-range models. It will also import the Nissan Maxima, which will initially be brought in fully built up.

The company has a large commitment to its local content programme and plans to spend about R500-million in the next two years.

Mr Britz says: "The Phase 4 local content programme is advantageous to Nissan and it is intended to further increase local content. This will cost more money for equipment."

The company also intends to enlarge its export market, which will also require additional finance.

"We believe that in the next six to 12 months, our export potential will increase, particularly after sanctions are lifted."

Employees with 10 years' service or more will be paid seven months' salary, including one month's notice. Those with four to six years will receive four months' pay and those with two years two months' salary.

The retrenchments have been negotiated with the National Bargaining Forum, Numsa and the Iron and Steel Union.
ADE sidelines top brass as the payroll is slashed

By CURT VON KEYSERLINGK

SOUTH AFRICA'S giant diesel engine producer Atlantis Diesel Engines (ADE) is cutting the number of its top executives by half.
Two of its seven directors have left and 20 of its 36 managers at the next level of seniority are either to go or take up less senior posts at ADE.
This follows retrenchment of junior staff that reduced the total complement from 2,771 to 2,150 late last year.
It is part of a plan to rescue a company that has never made profits and never produced at more than half capacity since it opened in 1981.

ADE is financed by the Industrial Development Corporation and was established partly with the object of improving SA's self-sufficiency in diesel engines which were then considered to be of strategic importance.

Designed to produce 45,000 engines annually, ADE had its best year in 1984 when it sold 22,740. Because it held huge unsold stocks, it produced fewer than 15,000 engines in 1986. The figure for this year is expected to be even lower.
Further reductions among the company's 740 salaried staff will be announced next month after a study now being carried out, says managing director Fritz Korte.
Because so many managers have left, those that remain are handling widely diverse functions. For example, the managing director is now also responsible for marketing; the commercial director for purchasing, finance and exports; and the corporate services director for personnel, information services, public affairs and administration.

Another cost-cutting effort is the merging of ADE's two production facilities — one produces Perkins and the other Daimler-Benz engines — under a single management structure.
Previously each was run separately by its own management team.
These and other measures are aimed at achieving a 20% reduction, in real terms, of ADE prices in the next two years.

Mr Korte says the retrenchments will achieve at least a 20% saving in personnel costs. But savings in other areas will be necessary to achieve a total of 20%.
Although licence restrictions make it difficult to export complete engines, progress is being made in sales of components — about R30-million last year.
This will help to recover overheads by increasing plant use.

But ADE's exports are proving to be a two-edged sword. In terms of the Phase 6 local content programme for the motor industry, ADE's export sales have to be made through a motor vehicle assembler.
The vehicle assembler receives duty rebates on these exports, which allow him to increase the value of imported goods in his vehicle.
This is making it more easy for vehicle assemblers to import diesel engines and they do not need to buy them from ADE.

"Increasing our exports is like sawing off the branch we sit on," says Mr Korte.
There are signs that certain vehicle assemblers will use imported engines in certain models, something that was virtually impossible under the old local content programme when ADE held more than 50% of the diesel engine market.
The company is budgeting for a drop in its market share in the next few years and is asking the Government for a 30% increase in duties on vehicles with imported engines.
"We know this is not popular, but if the Government pulls the carpet from under our feet during our rationalisation programme we will never get this business right," says Mr Korte.
9000 jobs lost in textile industry

DURBAN — Fabric manufacturers are facing a crisis as a result of depressed demand caused by the recession and exacerbated by the rising volume of imports entering the country because of reduced tariff restrictions.

A war of words between the National Clothing Federation (NCF) and the Textile Federation (Texted) continues in the wake of recent criticism by Frame Group executive chairman Mervyn King of aspects of the rag trade.

Texted executive director Brian Brink said this week his industry faced a "disproportionate loss of demand" of close to 50 percent of normal levels.

Reacting to strongly-worded criticism by NCF chief Hennie van Zyl last weekend of Mr King and the management of Frame, Mr Brink said the problems facing textile manufacturers did not involve any one company or group of companies.

Sales volumes of fabric companies last year were down between 18 and 30 percent, with forward order books as much as 50 percent emptier than at the same time 12 months earlier.

About 9,000 jobs had been lost in the industry.

He listed the following contributory causes:

- Reduction of duties in 1999.
- The erosion of the effective-ness of the import duty structure by the structural adjustment programme for the textile/clothing sector.

- A number of preferential trade agreements aimed specifically at textiles and clothing, which had further reduced the real level of duties.

- The lifting of import control on textiles in August 1999.

"All these factors, together with depressed domestic demand, have led to unacceptably higher import penetration rates and resulted in the industry operating at well below full capacity."

The textile industry could not compete with countries whose textile exports were heavily subsidised.
Govt accused of tardiness in reducing staff levels

GOVERNMENT had been too slow in cutting down on the number of its employees and in privatising in difficult times, SA Federation of Civil Engineering Contractors (Safecce) president Ian MacGregor told a media conference yesterday.

He said the public sector had shown no visible signs of retrenchment and the impetus in privatisation appeared virtually to have stopped. This was at a time when government would be expected to show at least a 25% reduction in staff and more privatisation.

The civil engineering industry had to be flexible because it undertook the construction of the country's infrastructure.

"We are concerned because we do not see the same flexibility being shown by the public sector," he said.

Safecce vice-presidents Peter Clogg and Jurgen Schults also criticised government for giving what scarce infrastructural work there was to government institutions.

"It has been proven over and over that it is totally untrue that government can do work for half the cost of the private sector," Clogg said.

MacGregor said the civil engineering sector was a vital part of the country's economy with a turnover in 1990 of about R1bn.

"The state provides the majority of work for the civil engineering industry and it seems ironical to me that, through cuts in capital spending, people will lose their jobs and have to call upon state agencies for financial assistance."

MacGregor said great demands were placed upon the industry a few years ago to build railway lines and harbours. Then the demand shifted to roads and townships with their related water and sewerage schemes.

"Now with the downturn in the country's economy, capital works budgets have been slashed and we have had to scale down to fit this reduced demand."

If political stability was achieved, MacGregor said the industry could see opportunities in black township roads and infrastructure, schools, hospitals, work in adjoining countries, increased industrialisation and electricity for everyone.
Job security to top bargaining agendas

The Argus Correspondent

JOHANNESBURG. — Job security will be the priority — ahead of wage increases — on trade union-employer bargaining agendas this year.

This emerged from an industrial relations firm's survey of 34 major unionised companies with more than 200 000 employees.

It found that workers in the retail, commercial, food and beverage sectors expected wage increases above the inflation rate.

Their employers expected their workforce to grow, but by no more than five percent, the survey showed.

Other-sector employers expected retrenchments to increase steadily — between 10 000 and 17 000 could be laid off in the surveyed companies alone in the next 12 months.

BARGAINING

The lowest negotiated wage increases and highest retrenchment levels were expected in the construction and allied sectors due to severe reductions and postponements of capital expenditure in the private and public sectors.
Bloodletting on vast scale seen

Economy ‘on edge of massive slide’

Own Correspondent

JOHANNESBURG. — The SA economy is teetering on the edge of a massive slide which will see “bloodletting on a vast scale” this year, industrial relations consultants Levy & Associates predict.

Reporting the results of a survey aimed at identifying current retrenchment practices and trends, the consultants said the outlook for recovery in the current economic circumstances was bleaker than at any time since the inter-war period.

The survey, which covered more than 26 000 retrenchments and 200 companies, found that trade unions were fighting retrenchments harder than ever before.

This was the case even where well-established retrenchment provisions were contained in agreements.

Discussions on retrenchments, when they arose, centred mainly around the issue of disclosure of information, with unions demanding employers’ supply financial records to justify retrenchments.

Union demands for further benefits and disputes over disclosure often resulted in a delay in implementing retrenchments, which in turn often resulted in further cuts and delayed the chances of recovery.

The most common reasons cited by employers for retrenchments last year was the economic downturn (52.4%) and restructuring or rationalisation (11.6%).

Retrenchments related particularly to insolvency, not covered by any retrenchment agreements, were expected to increase over the next 12 months.

Findings revealed over 60% of the companies surveyed agreed to pay one week’s wages per year of service.

Another common category of severance pay was up to two weeks per year of service although this was granted by less than 20% of companies.

Other concessions recently negotiated by unions included improved severance allowances of up to four months for more than two years’ service, the writing off of company loans, time off to seek alternative employment and guaranteed preferential re-employment.

The survey noted many benefits were conceded against a backdrop of overtime bans, strikes, work stoppages and sit-ins.

It said the sector most badly affected by retrenchments last year was construction, followed by chemicals and mining. However, major retrenchment exercises in the mining sector were expected for 1991.

Nactu general secretary Cun- ningham Ngekana said yesterday retrenchments could be avoided by upgrading workers’ skills through existing channels such as the Industrial Training Board or the National Training Board. Where retrenchments were unavoidable, unions should have access to company’s books.

Cosatu spokesmen were unavailable for comment.
Strikers dismissed

MORE than 300 workers at a major transport company have been dismissed after they went on strike this week demanding a wage increase.

Workers at the Jowell's Cape Transport company in Montague Gardens, Cape Town, are demanding a minimum of R350 (present wage R236) for drivers, R250 (present wage about R100) for labourers and R250 (present wage R150) for workshop personnel.

They refused the company's offer of a seven and a half percent across-the-board increase.

The workers are also demanding to be reinstated.

Jowell's managing director, Mr David Pieters, confirmed on Wednesday that the workers had been dismissed.

"We gave them an ultimatum to return to work yesterday. When they did not, they dismissed themselves," Pieters said.
Security workers at Sainsbury's demonstrate at the Golden Ace yesterday.

"Shopping Centre Demo."

"City demo: workers in action."

"Security workers on the protest against proposed redundancies."

"Shoppers are baffled by the security staff's actions."

"A silver bullet of sorts."
Workers challenge DP chairman

By GLENDA DANIELS

DEMONCrATIC Party national chairman David Gant is at the sharp end of an industrial court case in which he is accused of unfairly dismissing strikers and "hiding behind" controversial provisions of the Labour Relations Act.

The case has been brought by 20 of 420 workers dismissed after a three-day wage strike last year at the Lourensford Estate near Somerset West, of which Gant is managing director. The estate is a combined farm and sawmill.

One of their complaints is that Gant would not negotiate with an elected worker committee called the "ANC Committee".

It has been reported that the farm manager refused to convey workers' demands to Gant unless they changed the committee's name.

Commenting on the strike Gant said: "I decided to dismiss the 420 workers on the basis of the continued strike, the fact that they had taken the law into their own hands and on account of intimidatory practices."

Gant later reinstated 60 of the strikers.

According to lawyers, Gant has argued that as farmworkers, the strikers fall outside the scope of the LRA and are not entitled to seek relief in the industrial court.

The workers maintain that in terms of various court decisions they are factory employees and therefore covered by the Act.

The workers have argued that the dismissals are unfair in that no specific charges were put to them, no inquiry was held and they were not given the chance to examine witnesses.

The DP has supported the Saccala Accord between unions and employers, which recognises the right of all workers to protection under labour law. The case has been postponed.
Job losses rise as recession, pay increases take their toll

By DREW FORREST 4/12/91

MASSIVE job cuts facing workers as the recession deepens have been harshly highlighted in surveys by two industrial relations consultants.

One of the surveys, by Gavin Brown Industrial Relations, also implies that the rising cost of unionised labour is a factor. In a survey of 34 major unionised businesses employing 200,000 workers, it finds that a falling "headcount" is coupled with above-inflation wage increases.

"Many large employers are expecting to negotiate wage increases several points above the inflation rate ... a very small number expect to contain wage increases to the rate of inflation."

Many firms gave improved productivity as a reason for demanding, suggesting, it adds, that rising union wages are forcing greater capital intensity and improved production methods.

Job security will feature high on bargaining agendas this year, it predicts.

Estimating that about 70,000 workers were retrenched last year — 30,000 in mining, 7,000 in clothing and 10,800 in the metal industries between July and October — Andrew Levy and Associates predicts a higher rate of redundancy outside agriculture in 1991 if the current economic climate persists.

The Steel and Engineering Industries Federation says metal industry job losses are currently running at 200 a month and that it expects no improvement in conditions this year.

Andrew Levy’s survey of 200 firms employing 693,000 workers shows that construction was hardest hit in 1989/90, with over 30 percent of the workforce retrenched. The economic downturn was cited as a reason in 52 percent of all cases.

There was a 17.8 percent incidence of industrial action and unions succeeded in wringing concessions from employers — including relocation, longer notice periods, revised retrenchment packages and enhanced pension payouts — in many cases.

In the firms polled by Gavin Brown, up to 17,000 workers may lose their jobs this year. The survey suggests that construction, hit by high interest rates and a downsizing of both private and public sector projects, will shed a further 10 to 25 percent of its employees. Average union wage rises are forecast as the lowest of any industry.

Also under siege are timber, wood and paper, hit by falling output from mining and construction and diminished export volumes, and non-metal manufacturing. In both industries, employment is forecast as falling between five and 15 percent. In chemicals, affected by drought and falling demand, job losses could range between five and ten percent of the workforce.
Job cuts at Anglo head office

AN undisclosed number of Anglo American head office employees received notice of retrenchment or forced retirement on Friday. (335)

Anglo American staff say 300 head office employees, some fairly senior, lost their jobs last week, but management maintains the figure is "not half that amount".

The corporation would not disclose the exact number of people affected and responded to questions about its rationalisation with the following statement:

"Anglo's head office has been conducting its annual budget review. The profits have reflected the overall state of the economic climate and in particular the very difficult position of gold mines to which Anglo's head office provides services."

Consequently, the guidelines set for the budget this year were a zero increase in real terms, even after provision had been made for salary and wage increases. A number of steps have been taken to meet this target, the last of which are retrenchments." (335)

Management said the rumoured figure of 300 was highly inflated and less than half this number of employees would be affected. Of these, most were early retirements.

A company spokesman said the rationalisation was not being done in one fell swoop, and that more notices might follow. However, the total figure was unlikely to be more than 150.

ROBERT LAING
Youth League aims to help the jobless

THE ANC Youth League in the Northern Cape has decided to embark on a programme aimed at building the new South Africa, focusing especially on creating employment for the youth and the masses in general.

In a statement released yesterday, the Youth League called on all business people, industrialists and embassies to contribute to the projects.

The League's Secretary for Finance, Mr David van Wyk said: "The Youth has an obligation to improve the lives of the people who have been the victims of oppression for such a long time."

"This obligation affects the business world which has flourished under apartheid as a result of the toils of our people."

"To the foreign embassies, we say: You have to start now to help the people if you want to safeguard your investment in a new South Africa."

Van Wyk concluded. - Sapa
Anglo retrenches head office staff

JOHANNESBURG. — An undisclosed number of Anglo American head office employees received notice of retrenchment or forced retirement on Friday.

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Wages too low, says PO chief

By Sharleen Singh

At a meeting with postal workers’ unions to discuss salary increases, Postmaster-General Johan de Villiers admitted that the minimum wage of R735 in post offices is too low and is not a decent wage.

Mr de Villiers agreed with the joint union delegation that productivity in the department had increased and hence workers should be compensated.

He congratulated the unions for presenting “reasonable arguments and a balanced report”, the union delegation said.

The Post Office was a reasonable employer and as much concerned about its employees, Mr de Villiers said.

He told the union delegation that he had written to the Minister of Mineral and Energy Affairs informing him that the union’s presentation of salary increases could not be ignored.

The spirit of the meeting with Mr de Villiers and his acknowledgement that salaries were too low and productivity had increased has left the unions with high hopes that their demand for a minimum wage of R1 300 will be met.

But a press statement issued by the Department of Post and Telecommunications did not guarantee wage increases.

Aids ‘will halt SA population growth by 2000’

By Julienne du Toit

Aids in South Africa will halt the population growth by the turn of the century, a leading actuary estimates.

Theo Hartwig, chief actuary at Old Mutual, was speaking yesterday at an investment conference of Johannesburg stockbrokers Frankel Kruger.

He said that in South Africa the problem of Aids was still in its infancy but rapidly gaining a foothold in the black community, especially in the Transvaal and Natal.

Mr Hartwig said the chances of completely halting the epidemic seemed non-existent as the chances of a cure or vaccine that could be used on a mass scale seemed remote.

Samples from blood clinics and ante-natal clinics indicated about 1 percent of the black population was infected in Transvaal and Natal.

The percentage positive was doubling every nine months, he said.

However, among whites the problem appeared to be confined mainly to men with homosexual contacts.

Mr Hartwig ascribed this difference to a deeply entrenched culture of multiple sexual partners among blacks as well as generally low level of medical care in Africa.

He said a theoretical computer-based model, which projected infections, illnesses and deaths due to Aids in the future, had been constructed.

In 1998 about 130 000 would die and 175 000 would “be sick”.

“Thereafter the picture gets progressively more disastrous. The funnel of uncertainty also increases, so we would prefer not to quote figures beyond this.”

The impact on the economy in the next five years would be small. But during the second half of the decade “the drain on resources, the lack of manpower and the loss of confidence could impact seriously on the economy”.

Anglo to reduce HQ staff

Staff Reporter

The effects of the downturn in the gold industry are being felt at the highest level — an unconfirmed number of employees at Anglo American head office in Johannesburg are to lose their jobs.

Anglo spokesman Conrad Side said cuts would mainly take the form of early retirement.

He would not comment on reports that 150 jobs were at stake.

- The cuts follow the annual Anglo budget review which set a guideline for this year’s budget at a zero increase.

“Staff forced to take early retirement don’t lose anything; they retire with full benefits. That would be the fairest thing to do.”
Workers protest lay-offs at firm

MEMBERS of the South African Chemical Workers Union picketed the offices of Twins Pharmaceutical at Isando yesterday to protest the retrenchment of 174 workers. 

Sacwa spokesman Mr Humphrey Ndaba said Twins Pharmaceutical had unilaterally retrenched workers without consulting the union despite an agreement reached with them on November 22 last year.

Ndaba said it was agreed that 20 percent of the staff would work short time - that is not work one day in a week rather than retrench any workers.

He said it was surprising that Twins employed 150 temporary workers in December without informing the union and yet they had said economic considerations was the reason for the retrenchments.

Twins allegedly retrenched the 174 workers on January 18 and the remaining workers embarked on a work stoppage to demand their reinstatement.

Company spokesmen were not available for comment. - Sapa.
Retrenchments at Philips

Seventy workers are to be axed at two plants of SA Philips in what unionists say is part of a global rationalisation exercise by the Dutch-based firm.

National Union of Metalworkers shop steward Omar Parker says Philips plans to cut 45 000 jobs worldwide. He said 56 jobs would go at SA Philips' Wadeville plant and 14 at Martindale, where the canteen operation may be farmed out to a contractor.

Although the Dutch labour movement was split on "Operation Centurion", Parker said shop stewards hoped to establish contact with it. They were also seeking NUMSA head office support for a national campaign, which they hoped would go international.
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Blanket of hope as workers dream of re-opening mill

**DESPERATE** workers in Harrismith have a dream - to re-open the Free State town's 60-year-old blanket factory and start producing blankets again, says South African Clothing and Textile Workers Union regional secretary, Mr Jabu Gwala.

About 1 100 workers who were retrenched on November 28 are looking at options to re-start the Frame Group-owned blanket mill which is standing empty.

Leading community members believe this would be a solution to the rising unemployment in the area, which is being exacerbated by refugees from the Natal violence.

Chairman of the 42 Hill township's chamber of commerce, Samuel Motaung, believes it would be possible to re-open the blanket factory with the help of big business.

**Research**

"Once big business had helped initially the workers could establish the running of the factory," Mr Motaung said.

Democratic Party leader in the town, Mr Cas Human, echoed the workers hopes when he said the answer would be to re-open the mill under joint worker management control, coupled with careful market research and a "buy South African" campaign.

The factory closure meant almost 20 percent of the 42 Hill township's breadwinners lost their jobs. This was just one of the Frame company's recent casualties caused by the textile industry slump.

Sactu and Frame managed to negotiate reasonable retrenchment packages for most of the workers, but many have been working on factory looms for years and few have other skills.

"The factory workers are hoping ideally to buy back the factory and start producing blankets again. In two weeks shop stewards from each region will meet in Durban to discuss this issue," said Mr Gwala.

A similar project was set up with the co-operation of the Frame Group, according to manager of the Durban based Zenzeleni co-operative, Mr Glen Cormack. The co-operative, funded by Frame as part of a retrenchment deal, started in 1989 and it now employs more than 270 workers and produces boiler suits, dust coats and T-shirts.

Harrismith mayor, Dr Mike van Niekerk, admitted that the factory closure had left a huge gap in the town.

"At this stage all I can say is that the chamber of commerce and our National Party MP, Mr Paul Farrell, are looking into the unemployment situation in our town.

Chairman of Harrismith's chamber of commerce, Mrs Pannie Human, said after the factory closed down "most white employees had been accommodated". But she could not give figures for how many blacks had been reemployed or re-trained.

She said that Harrismith's chamber of commerce had investigated running a few re-training projects in conjunction with the 42 Hill township's chamber of commerce last year "but these had fizzled out".

Mrs Human denied rumours that Harrismith could become a ghost town as a result of the factory closure.
Seminar to focus on layoffs

THE current critical issue of retrenchment has become sensitive and complex to industrial relations negotiations facing an increasing number of South African employers and trade unions.

Unless handled carefully and correctly, retrenchment can lead to unnecessary and costly confrontations and may have a detrimental effect on morale and productivity.

For this purpose leading industrial relations consultants, Andrew Levy and Associates, have arranged a half-day seminar to be held at the Carlton Hotel on February 20 focusing on answering key questions related to the current retrenchment practices and trends.

The consultants have predicted that the South African economy was wobbling on the edge of a massive slide which will see “bloodletting on a vast scale” this year.

The prediction is contained in a survey in which it says the outlook for the country’s current economy this year is “the bleakest in years”.

The survey, which covered more than 26 000 retrenchments - the majority of them among blacks - and 200 companies, found that trade unions were doing all they could to fight the practice that has left thousands unemployed.

On the decision to retrench, the seminar will, among other things, address questions such as:

* Does management have the right to retrench?
* Do you have to negotiate before you decide to retrench?
* Must you consider other options before deciding to retrench; and
* Will you have to prove that you did so?

It will also focus on the process and procedure to be followed when such drastic actions are taken against workers.

In addition, the seminar will discuss recent Industrial Court cases on retrenchment.
‘Top companies fail to create more jobs’

By BARRY STREEK

THE Top 100 Johannesburg Stock Exchange-listed companies increased dividends last year by 21.3%, but only increased employment by 0.1%, the Labour Research Service (LRS) has found.

Some of the largest Top 100 not only chose to grant shareholders significantly larger dividend payments but also cut employment in 1990.

“Employment creation should be a major concern for SA companies,” the Cape Town-based LRS said.

“Instead of expanding employment opportunities and making an economic growth a priority, these companies and directors preferred to keep shareholders happy with large dividend payments.”

Profits of the Top 100 companies increased by 15.8%, just above the average 1990 inflation rate of 14.3%.

In spite of the recession, the companies managed to increase sales by 18.3%.

“Sales per worker rose by 17.3%. This suggests that workers’ productivity has improved.”

LRS said the average increase in profits of the 245 companies surveyed in the 16 industrial sectors on the JSE was 25% and listed in the engineering sector recorded, on average, a 49% increase in profits, the largest in the 16 sectors, in 1990.

“Profits increases for some of the big five conglomerates, might have been poor in 1990, but they still earned large returns on their shareholders’ investment.

“Anglo American earned the largest return in 1990 of 24%.

“Barlow Rand’s profit attributable to shareholders fell in 1990 by 14.2%, but it still managed to earn a very respectable return on shareholders’ investment of 22.4%.”

Between 1988 and 1989 manufacturing profits grew by 25.6% in real terms, but in the same period gross domestic product declined by 0.6%.

“Cut-backs, retrenchments and rationalisation helped manufacturing firms to make their large profit increases,” LRS said.
Judge nullifies 29 Durban dismissals

DURBAN — The Natal Provincial Administration's decision to retrench 29 workers on December 31 last year was this week nullified by the Durban Supreme Court.

The workers were employed by the NPA as labourers engaged in building work and were retrenched after being given notice on November 30. Although 29 workers were retrenched, two workers — Mr Sakhayedwa Ambrose Sibiya and Mr Fumanekile Mshiywa — were used as the main applicants.

On January 3 the two workers obtained a Supreme Court rule nisi which called on the NPA to show cause why the dismissals should not be declared "unlawful and of no force and effect". The NPA opposed the application.

At issue was whether the men could be lawfully dismissed without giving them a hearing and the opportunity to make representations about their dismissals.

Mr Justive Didcott said it was common cause that before they were dismissed, the applicants had nothing which smacked of a hearing.

He nullified the dismissals and ordered the NPA to pay the costs.
Workers' co-op to retrench 300

By Drew Forrest

ZENZELINI Clothing, a major worker co-operative of the SA Clothing and Textile Workers' Union (Sactwu), is to retrench half its 300-strong workforce. This was confirmed this week by managing director Glen Cormack. Sactwu could not be reached for comment.

The Durban firm, which makes T-shirts and workwear, is one of the largest and most ambitious co-operative ventures by labour. Unions are keen to develop the co-operative sector, as a means of job creation and worker empowerment.

Set up in January 1989 for retrenched Frame workers — Frame pledged R2.5-million to the project — Zenzelini is controlled by a board of trustees chosen by the Sactwu national executive committee.

Newspaper reports have claimed Zenzelini lost R2-million in its last financial year.

Cormack said workers had been asked to decide whether to maintain the workforce, with the prospect of insolventi within months, or retrench. The plan was now to cut staff and rebuild the business by cultivating lines of credit from the textile mills.

Commenting on cash-flow problems that "impacted on our ability to service orders", Cormack said difficulties in securing credit from financial institutions and fabric suppliers had been a key obstacle.
Jobless warning as pay rises push up costs

By TOM HOOD, Business Editor
PAY rises won by trade unions are pushing up costs and contributing to growing unemployment in the Western Cape, according to the president of the Cape Chamber of Industries, Mr Ernest Wilson.

More job losses and business collapse could be expected unless productivity was increased in line with reward, he said.

In an unprecedented statement warning of an “escalation of employment costs”, he said the Chamber of Industries was concerned at the serious and growing unemployment situation in the Western Cape as the current recessive business conditions continued to deepen.

“We feel compelled to draw attention to the continuing expectancy that employment cost increases must be at least in line with the rate of inflation and wish to sound a warning note that further job losses and business collapse will certainly follow this policy if some concerned effort is not made to increase productivity in line with reward.”

The correlation between inflation and unit labour cost increase for the past few years was virtually identical and the manufacturing sector was thus continuing to contribute significantly to the national inability to control and reduce inflation.

“More importantly, our goods are becoming less competitive in the international sphere and exports are threatened significantly.

“South Africa has the enviable reputation of having one of the lowest labour productivity improvement indices in the international log for the past 15 years.

“Our average growth per capita has dropped to negative terms in the past five years compared to Korea and Taiwan with 8 percent growth and even the United States, Britain and West Germany showing a respectable 3 percent growth.

“Such an economic climate is unlikely to prove attractive for much needed external investment in our country.

“In these circumstances and especially during the period of acute change for South Africa which lies ahead, the chamber feels the necessity of urging the need for responsible restraint from both the employer and employee sectors, to negotiable future increases in labour and salary costs either at a level somewhat below the current inflation level, or at a level which will adequately compensate such increases by productivity improvement.”
Pay rises push up costs

Somewatch Business

THE CONTINUATION

In the mid 1970s, the government decided to
introduce a pay freeze in order to
control inflation. This led to a number of
strikes and protests, as workers
resisted the cuts in their wages.

Negatives

- Job losses and business
  closures were common.
- Prices of goods and
  services increased.
- Inflation continued to
  rise, leading to further
  cuts in wages.

Compelled

- Companies were required to
  cut costs and increase
  productivity.
- The government imposed
  strict controls on
  spending and investment.

Conclusion

It was a difficult time for
workers and businesses alike.
The pay freeze had a
significant impact on the
economy, leading to a
decline in living standards.

PHIL KHAMALO

"The pay freeze was a
decisive action in the battle
against inflation. It was a
tough time, but it paid off in
the long run."

"We had to work harder,
and smarter, to keep up with
the rising costs of living."

"It was a turning point in
our economic history."

"We learned to live with
less, and it paid off."

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Weekly
Funds shortage: office for jobless faces closure

By JILYAN PITMAN

THE Western Cape Unemployment and Advice Office in Wellcome Estate, Heidelberg, which planned to re-open a training centre for the unemployed, is in jeopardy unless the organisation finds R300 000 immediately.

The centre has more than 7 000 people on its books — most of whom need to be trained for a job. The others on its books are people already trained who have lost their jobs because of the economic recession.

**Donors’ challenge**

This non-racial, non-political and non-religious employment training centre was started in March 1989 but disbanded for lack of funds. For the WCUAO to continue as a whole and re-open the centre, it needs about R1 m.

Mr Abduragim Booth, director of social responsibility for the WCUAO, who has a committee of 75 volunteer workers chosen from the unemployed lists, said:

“We can raise by ourselves between R50 000 and R100 000 from fundraising drives. Our immediate need is R300 000. We have seven offices in the Western Cape and if we don’t get this money soon we will have to close down within the next week or two.

“We have wanted, as soon as possible, to start offering courses in practical subjects. We would also have liked to give the unemployed lectures, talks and workshops on various aspects of employment, finance and tax.”

Mr Booth continued: “It is very sad that so few companies in the country have assisted us, giving only R20 000 in total.

“Some companies which said they would donate never came forward. Of the donors, Permanent Homes and three service stations have challenged other service stations and estate agents to equal or double the amount of money donated. No other companies have come forward so far to accept this challenge.

“All donors would have plaques, with their names and logos, at all our offices.”

**Other approaches**

“At the moment the WCUAO is feeding 6 000 unemployed and their families from donations of food and clothing from various retailers. We are running two soup kitchens, one from our head office and one in our other office in Ottery.

“Another problem we face is lack of transport. We are appealing for a transport company to donate a small vehicle for us to carry our soup kitchen utensils from point to point.

“We also need a new office, equipment and professional staff. People are flocking to our offices at a rate of 100 a day with unemployment, social and legal problems. If we have to close our offices their problems will double.

“We do not want to approach the government for assistance but if no one offers us financial assistance soon, we will have to. We think of ourselves as a people’s organisation and do not want to get involved in state structures and policies, but if we have to close down who will look after these people’s interests?

“We have approached the ANC for funding. We have provided them with documentation and they have requested more information about our problems. We have also approached a number of business and educational institutions. They are all discussing our proposals.”

To donate to the Western Cape Unemployment and Advice Office, post contributions to its head office at Box 1873, CAPE TOWN 8000, or call (021) 637-2386 or (021) 637-9716.
Boycott to protest against firings

Community organisations in Zamdele, Sossusvlei, have called a consumer boycott of white businesses to pressure Sisal One and Nutref into rehiring 867 SA Chemical Workers' Union members fired in 1987 after a wage strike. (315)

An Industrial Court order reinstating the workers with back pay was struck down in a controversial Labour Appeal Court decision, and the Appellate Division later upheld the LAC's denial of leave to appeal.

A statement by the support committee said the boycott aimed to "expose the bias and unfairness of the judicial system, which tends to favour employers." (373)

Report from Weekly Mail staff
President De Klerk then arranged for the African National Congress to listen and Inkatha was also involved.

Many other political groupings are said to be queuing for the presentation.

The planning group, which was put together in March last year, includes the doyen of scenario-planners, Frenchman Pierre Watt, who led the Shell group from Holland.

He accurately predicted both the first and second oil crises.

Also on the team was Professor Bruce Scott of Harvard, who studied what happens when nations change from autocracy to democracy, and from an inward-looking economy to an outward economy.

Prominent South African economists and social scientists were also drawn in.

The team concluded that the political scenario would probably stumble and bog down unless something dramatic was done about the economic and social side of things.

They saw two possible scenarios.

Their estimate of current unemployment was 5,4 million, which could be maintained by a 5-percent growth rate.

Worst case

They concluded that a best-case scenario of 2,5 to 3-percent growth over the next five years would see unemployment grow to 7,4 million.

A worst-case scenario, which could be as little as 1-percent growth, would bring calamity.

Cost of building

The team's first recommendation to kick-start the economy was the rapid creation of more jobs, which would create wealth.

Government needed to find 400 000 serviced stands in an attempt to address the housing backlog, estimated to be around 800 000 homes.

It was suggested that the government subsidise a serviced stand by a minimum of R5 000 each, because such stands were frequently more expensive than the cost of building a house.

The second recommendation was that banks, building societies and insurance companies find funds to build those 400 000 houses.

This would create not less than 250 000 new jobs.

Ripple effects

The next stage was that Eskom should undertake to electrify one million houses for the next two years.

They concluded that Eskom had the infrastructure to carry out this task.

The team believes this kick-start will result in numerous ripple effects, which will in turn gain their own momentum and lead the economy into a sustainable high-growth path.
Zebediela retrenches 499 farmworkers

MORE than 400 members of the Nactu-affiliated National Union of Farmworkers have been retrenched in accordance with an agreement between the union and management at state-owned Zebediela Citrus Estate, Pretoria.

A union statement yesterday said agreement was reached that 499 employees — all over the age of 62 — would be retrenched. They would be paid one week's wages for every year of service.

The union said the parties also agreed to an across-the-board increase of R100, bringing the monthly minimum wage for permanent workers to R1700 from April 1.

The agreement follows a four-month strike by 1200 workers which was settled in December (S 3 5).

The company also agreed to reinstate dismissed strikers.
Philips workers protest against dismissal

By Shareen Singh

Dismissed Philips SA workers yesterday demonstrated outside the company's head office in Randburg and at its Martindale, Johannesburg, plant demanding an end to retrenchments.

The company employed sub-contracting companies to take on work in three departments, which resulted in the retrenchment of about 100 workers, it was disclosed yesterday. A further 54 production line workers were retrenched at the company's Wadewville plant.

Fedics, XPS and Armed Response had taken over the services of canteen, transport and security respectively.

A spokesman for the National Union of Metalworkers, Omar Parker, said that if the company instituted proper training programmes for its internal staff to be more efficient, it would not require outside services.
UNEMPLOYED workers in the Western Cape have restarted their campaign for lower food prices.

On Wednesday about 20 members of the Western Cape Unemployed Workers' Union (Wecuwu) held a placard demonstration outside the Blue Ribbon bakery in Salt River — the first of several demonstrations planned to take place outside bakeries and dairies in the Western Cape.

The union's regional secretary, Mr Shahied Mohamed, said Wecuwu intended marching to parliament on March 16 to deliver an ultimatum to the government. Wecuwu wants the government to subsidise basic foodstuffs, remove tax from food and provide jobs for all.
THE Western Province Council of Churches (WPCC) has decided to retrench a third of its staff after its foreign funding had been cut in half.

Its parent body, the South African Council of Churches (SACC), is likely to retrench more than 20 staff members soon after funds failed to cover a budget shortfall of R6.34m this year.

The SACC has long been the breadbasket of aid to "victims of apartheid" during the worst years of repression. However, funders recently changed the nature of their funding, slashing grants used for "political purposes".

The SACC has been heavily effected by this change, receiving 24 percent less from funders than expected.

The organisation was forced to reorganise its departments and other areas where they spend money — cutting back heavily on their wage bill.

At the WPCC, up to six staff members from a total staff complement of 18 were going to be retrenched soon as the council could no longer afford to pay their salaries.

**Pickets**

The announcement of retrenchments was met with protest from staff.

Angry WPCC staff members held a picket outside their offices on Wednesday afternoon, calling for a withdrawal of the decision to retrench.

There were also pickets outside the SACC offices last month.

The staff association of the SACC office sent a message of support to the WPCC staff, saying they were "appalled at the apparent disregard by the WPCC executive of a simple human right" — to be consulted on matters regarding job security.

Like other regions of the SACC, the WPCC did not receive their full budget for 1991 requested from the parent body. Regions were instructed to work with "cash in hand" and no longer rely on pledges from donors.

The WPCC needed R800,000 to meet its commitments for 1991 but only received R400,000.

The restructuring of WPCC follows months of assessment and consultation after an SACC review commission reported on the restructuring of the parent body.

Staff members interviewed by SOUTH said the assessment also examined the role of the council in the wake of the unbanning of political organisations and in a post-apartheid society. The staff members did not want to be named.

"A meeting was called with all political organisations in the Western Cape where it was openly acknowledged that the WPCC had been more closely aligned to the ANC," a staff members said.

"The assessment went into full swing from November at the instruction of the executive committee. Staff experienced a breakdown in communication with the executive committee and were told their presence was no longer required at meetings.

"Since then, relations between the staff and the executive committee were strained, with decisions being imposed top-down."

In January, staff presented a memo-

random to the executive committee raising their concern about the operation of the WPCC.

A commission of inquiry was established to investigate their grievances and compiled a report to the staff and executive committee.

**Constraints**

Staff believed the executive committee was not only motivated by financial constraints, but political considerations as well.

The executive committee had decided that the council would "move to base" — be owned by the church, located within the church, coordinate the work of churches and foster ecumenism and unity.

"The assumption which follows from this is that the WPCC has never been based, that the council has never been controlled by the church but by community and political organisations, particularly the ANC," the staff members said.

However, the staff's prime concern was that they were never consulted by the executive committee on how many people would be retrenched.

Because of the nature of the structure, their jobs had never provided real stability or fringe benefits.

"We expected mutuality between the staff and the executive. Even if financial constraints led to retrenchments, we wanted to be part of the decision of which posts are to be dissolved," the staff members said.

**Criticism**

Responding to the staff's criticisms, the WPCC executive committee chairperson, the Rev. Courtney Sampson, said the budget cuts brought with it the "abhorring reality" that it was impossible for the council to continue in its former structure.

Sampson said while he sympathised with staff who were no longer secure in their jobs, the reality was that foreign funding was drying up.

"Last year already, the SACC warned that it cannot guarantee to continue paying the salaries of all staff members," Sampson said.

"We have been working with handouts from other people for far too long. "Matters of compassion and morality will be taken into account when we work out retrenchment packages in conjunction with the staff."

The WPCC could not be expected to maintain the same political profile it had in the past few years although it was still committed to the struggle for liberation, Sampson said.

The WPCC would not make any excuses for being closely aligned with the ANC as its members were in the forefront of political activity in the Western Cape for years.

The WPCC's new structure makes allowance for six staff members which will balance theological research with programmes in oppressed communities. Welfare work and service operations of the council would continue, Sampson said.

He said, politically, the council had to reassess its role.

"The church has had to carry the load of work of political organisations when they were unable to do so. It is arrogant of them to assume now, when they are unbanned, that we will continue."

Sampson said for too long church workers had been "abused and misused by political organisations to the detriment of the church."
Workers laid off

THE South African steel industry is under such heavy pressure that 100 steel workers are laid off every day.

Mr Hendrik van den Heever, spokesman for the steel and engineering federation Scifsa, said the main reason for the industry’s woes were a reduction in orders from its traditional parastatal clients such as Armscor.

The industry also faced hardship due to the slump experienced by South African mining companies.

Moreover, the low productivity of South African workers meant that the steel industry in this country could not compete financially with foreign markets, Mr van den Heever said. - Sapa.
PRETORIA — About 31% of SA’s total labour force is either unemployed or working in the informal sector, a recent survey by the Stellenbosch Bureau for Economic Research (BER) says.

Bureau chief Ockie Stuart said yesterday 3.5-million people were employed outside the formal sector.

Stuart agreed with Afrikaanse Handelsinstituut (AHI) president Gerrie Steenkamp that short-term crisis measures were needed to tackle the unemployment problem.

Steenkamp said this week drastic action was needed to slow down the increase in the number of unemployed blacks.
Peace will elude SA if poverty is not checked

PRETORIA — Peace and reconciliation in SA would be beyond reach unless aggressive policies to attack poverty were instituted, Unisa's professor of economics Stef Coetzee said last night.

In his inaugural lecture he said the situation of the poor had been aggravated by increasing capital intensity in the formal sector and the high level of unemployment since mid-70s.

The average labour absorption capacity of the formal sector had declined from 73.5% between 1965-70 to 12.5% for the period 1985-89.

This implied that only 12% of every 1 000 entrants a day to the labour market could be accommodated as full-time employees during this period.

**Upswings**

Between 1974 and 1989 the formal sector created only 1.2-million jobs while the labour force increased by 4.7-million.

Coetzee said the percentage of the labour force outside the formal employment sector had risen to 41.9%.

"Unemployment has continued to rise during upswings in the business cycle which strongly indicates unemployment has assumed structural characteristics," Coetzee said.

Urban Foundation research indicated the metropolitan population would increase from 12-million to 32-million between 1980 and 2018, while the total number of (metropolitan) blacks would quadruple from 6.6-million to 25.6-million over the same period.

Coetzee said the foundation also estimated that 42% of the black population would be in the under-14 age group, and that some 7-million were already living under informal housing conditions — 2-million in the PWV area.

He said the SA economy had shown persistent decline in growth since the 70s and was characterised by a highly unequal distribution of wealth and income, rising unemployment, poverty and socio-economic imbalances and backlogs.

The economic growth rate measured by the GDP declined from an average of 5.5% between 1960-74 to 1.8% in the 1975-88 period. During this period per capita income declined by 1% a year.

The attack on poverty would have to go beyond the efficient allocation of scarce resources. It would have to address issues such as access to and control of resources backed by changes in the economic, social, political and institutional mechanisms to bring about a rapid improvement in the living levels of the poor.

Coetzee said the costly duplication of apartheid structures had a negative effect on the economy.

Government interventionist policies, such as those aimed at promoting strategic industries and import substitution, had also served to undercut efficiency.

"The plethora of legislation to keep the political system intact has had a severe impact on the control over resources and access to opportunities," he said.

In addition, Coetzee said, government expenditure had favoured the affluent minority leading to a skewed allocation of resources.

He stressed a political settlement would not be a panacea for the country's development problems.

It could be regarded as necessary but not sufficient condition to resolve conflict in SA.
Staff cutbacks at church councils

From Bulelwa Payi
Grahamstown

TWO Eastern Cape church councils are retrenching staff because of cuts in foreign funding.

The Albany Council of Churches (ACC) in Grahamstown has already started retrenchments, while the Border Council of Churches (BCC) says staff cutbacks are inevitable.

A spokesperson for the ACC, Dr Bob Clarke, said the council's budget had been cut by R100 000 and retrenchments were unavoidable.

He was unable to say how many staff members would be affected.

BCC spokesperson Mr Smuts Ngonyama said while the council had not yet started retrenching, staff cuts were inevitable.

"Our funds have been cut considerably and a report on the issue will be submitted to our executive meeting in two weeks", he said.

The Eastern Cape Council of Churches' budget has been cut by 16 percent.

ECC spokesperson Mr Buyisile Petros said the council had established a committee to examine the budget and recommend ways of surviving with less funds.

Moves by church councils elsewhere in the country to retrench staff provoked angry reactions earlier this month.

In the Transvaal, the South African Council of Churches has threatened to retrench up to 24 employees.

In Cape Town, members of the Western Province Council of Churches staged a picket outside their offices after a decision to dismiss a third of the staff. — ANA
By ISMAIL LAGARDIEN

UNEMPLOYMENT was at an all time high, the Department of Finance said in its Budget review yesterday.

The Review accompanied the Budget speech in Parliament by the Finance Minister Barend du Plessis.

There has been a dramatic downturn in the economy in which, the Department said, the net increase in the number of people who were registered as employed, had so far been "considerably lower" than the increase in comparable periods of the two previous downward phases.

"The decline in the labour-absorptive capacity (persons who were accepted into full-time jobs) of the economy has assumed daunting dimensions," according to the Review.

Only 125 of every 1,000 persons who entered the job market in the second half of the 1980s were accommodated as full-time employees, it said.

Tracing back the slide into the present well of unemployment, the Department noted that in the five years between 1965 to 1970, 756 persons of every 1,000 who entered the labour market were absorbed, while in the next five years the figure had dropped to 627 per 1,000 entrants.

By the end of the next five year term, in 1980, the decline was "sharp" and stood at an alarming 354 per 1,000.

By 1985, only 219 people were accepted into the market out of 1,000 entrants and by the end of 1989, it fell to "the exceptionally low level of 12.5 percent" - 125 per 1,000.

"Unemployment therefore, has largely become entrenched problem in the South African economy," the Department said.
A further rise in unemployment forecast...
Lack of Jobs Becomes Critical as Recession Bites

By White Creek
Mercedes workers' sacking fair

By Shareen Singh

The dismissal of 521 employees who occupied the Mercedes-Benz plant during a strike last year was fair, according to an arbitration award. Mercedes-Benz management dismissed the workers after they had occupied the company's manufacturing plant in East London between August 16 and September 2 during a lengthy illegal strike which cost the company millions. The arbitrator found that the employees who occupied the plant had been guilty of misconduct and that the company's decision to dismiss them was fair. He ruled that the employees were in breach of agreed collective procedures and that their conduct was not conducive to a continuing employment relationship.

The methods used by the workers to achieve their demands were illegitimate, in defiance of their union and in violation of a Supreme Court order, the arbitrator found.
35,000 could lose jobs in steel-related industries

MORE than 35,000 hourly paid employees will be retrenched this year in steel-related industries as the most severe conditions since 1988 take their toll, says Mike McDonald, chief economist at the Steel and Engineering Industries Federation (Seifsa).

A report in the latest Engineering Week says this represents a 30% increase on last year's figure of 27,000 and a 220% increase on the 16,000 retrenched in 1989.

Between 7,000-8,000 are expected to be dropped from the Mossgas payroll alone.

Seifsa executive director Brian Angus said many companies had put their workforces on short time and others were liquidating. Economic difficulties were not likely to begin clearing up until next year.

McDonald said his 35,000 estimate was conservative. Also, it represented only hourly paid employees.

This excluded salaried support staff such as white collar workers, technicians, inspectors and probably most store clerks.

McDonald said: "It appears retrenchments of white collar workers is widespread at the moment."

Engineering Week said that so far this year 3,500 employees in the steel industry had been laid off.

A look at some of the industry's main customers confirmed the difficult conditions. Parastatals such as Mossgas, Eskom, Armcor and Transnet had slashed capex to a minimum.

The building industry - another major source of work - was also in difficulty.

Bifisa economist Charles Martin estimated that steel consumption in the building industry would drop 10%-15% this year compared with last year.
The weather was fine, the sun shone bright, and the birds sang joyfully. The park was a bustling scene of people of all ages enjoying the sunny day. There was a sense of freedom and happiness in the air.

However, despite the pleasant weather, many homeless people were still struggling to survive. They were scattered throughout the park, some sitting on benches, others lying on the ground. The park staff tried to provide them with food and water, but it was not enough to meet their needs.

The children's playground was closed due to maintenance, and many of the benches were covered with graffiti. The park seemed to be in disrepair, and it was clear that more effort needed to be put into its upkeep.

As the day wore on, the temperature began to rise, and the city of New York was sweltering. The homeless people were forced to find a place to cool off in the shade, but they were unable to escape the oppressive heat.

I was moved by the sight of the park, with its vibrant colors and lively atmosphere. It was a stark contrast to the reality faced by many of the city's most vulnerable citizens. I knew that I needed to do more to help those in need, and I was determined to find a way to make a difference.
(a) Not applicable.

(b) None.

(c) 1999.

(d) 1999.

(e) 1999.

(f) 1999.

(g) 1999.

(h) 1999.

(i) 1999.

(j) 1999.

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35,000 steel workers will be retrenched

JOHANNESBURG. — More than 35,000 hourly-paid employees will be retrenched this year in steel-related industries as the most severe conditions since 1988 take their toll, says Mr Mike McDonald, chief economist at the Steel and Engineering Industries Federation (Seifida).

A report in the latest Engineering Week says this represents a 30% increase on last year's figure of 27,000 and a 220% increase on the 16,000 retrenched in 1989.

Between 7,000 and 8,000 are expected to be dropped from the Mossel gas payroll alone.

Many companies had put their workforces on short time 'and others were liquidating.'
More than 29 000 whites unemployed

Of 54 803 registered unemployed at the end of December 1990, 29 237 were white, 15 800 coloured and 9 766 Indian, Minister of Manpower Eli Louw said in Parliament yesterday.

In a written reply to questions on unemployment from Peter Gastrow (DP Durban Central), he said 1 065 333 black work-seekers had registered in 1990 of whom 840 494 were men and 224 839 women. — Sapa.
Mr Louw said 139,252 blacks were registered as work-seekers in SA in December, while a further 226,002 were registered at labour bureaux as work-seekers in terms of the Guidance and Placement Act.

The Inspectorate area with the largest number of unemployed whites was Natal, where 6,463 were registered. In the three PWV inspectorate areas, 15,309 whites were registered, in the Western Cape 3,723 and in the Eastern Cape 3,193.
Rise in SA jobless could be 'disaster'

By Brendan Templeton

More than 117 000 workers in South Africa have been retrenched and at least 1.4 million new job seekers entered the job market since 1985, labour relations expert Dr Duncan Innes said yesterday. 27/1/71

He warned the country would face a major crisis if it did not effectively address the unemployment problem.

Since 1985, 52 000 jobs were lost in mining (the Chamber of Mines recently said 80 000 had been lost) and 20 000 were lost in metal and engineering.

Most alarming was the manufacturing sector where the retrenchment figure shot up by 31 000 from 8 000 between May and August last year, a clear sign that the recession was starting to bite.

The shrinking job market led to unemployment and growing instability which kept investors away, he said.

But lack of fixed capital investment was one of the biggest causes of unemployment in South Africa and meant that the two factors fed on each other and could only be broken by management and workers.

"Unless we can get some sort of agreement, it seems we will see more and more retrenchments. That will mean disaster for all," Dr Innes added.

- Thousands of Gengold jobs at risk — Page 5.
Arbitrator upholds firings

An arbitrator has upheld the dismissal of more than 500 workers fired during last year's sit-in at the Mercedes-Benz plant in East London. A company statement said the arbitrator found the dismissals fair, in that workers had breached collective procedures and their conduct was not conducive to continuing employment. "He further found that the methods used to achieve their demands were illegitimate, in defiance of their union (the National Union of Metalworkers) and in violation of a supreme court order."
300 to lose fishing factory jobs

By Waghied Misbach

The sale of the fishing industry, the change in the fishing industry, and the sale of the fishing industry, took a turn for the better this year when a major West Coast company announced it would close its doors. No details were available at the time of writing. However, it was confirmed that the company, which had been in operation for over 60 years, would be closing its doors.

The company, one of the oldest companies in the area, has a long history of producing high-quality seafood products. It has been a major employer in the community, providing jobs for hundreds of workers. The closure of the company will have a significant impact on the local economy and the community.

A spokesperson for the company said that the decision to close the factory was made after careful consideration of the current market conditions and the company's financial situation. The spokesperson added that the company had faced challenges in recent years, including increased competition from other companies and changing market demands.

The closure of the company will affect hundreds of workers and their families. The community is currently working on a plan to support those affected by the closure, including providing assistance with job training and career development.

The company's closure is a reminder of the challenges faced by the fishing industry, which has been hit hard by changes in market demands and increased competition.

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UNEMPLOYMENT

MANPOWER Minister Eli Louw told parliament this week that of 54,805 registered unemployed people at the end of December 1980, 29,237 were classified white, 15,800 coloured and 9,766 Indian.

In reply to questions tabled by Peter Gastro (Democratic Party, Durban Central), Louw said 1,065,333 African work-seekers had registered in 1990, of whom 840,484 were men and 224,839 women.
Sunflower blooms in place of waiting

THE SUNFLOWER Concept — brainchild of Murray & Roberts — is blooming.

Group chief executive David Brink described Sunflower to investment analysts and businessmen in Johannesburg.

It was launched in 1988 by the construction company which had been active in helping the homeless to help themselves for three years.

Unemployment had reached crisis proportions and at least 600 000 people were needed immediately for 7-million shacksland inhabitants.

In 1985 the Department of Manpower initiated sponsored training and work creation projects. The jobless were trained free of charge in basic skills, or could earn a subsistence wage labouring on community-approved projects.

M&R training centres were established throughout SA. Since 1988, 30 000 jobless have been trained in everything needed to construct a house.

So successful were the M&R courses that demand to attend them exceeded the places available.

The group decided to combine the unemployment training project with that of work creation, giving rise to the Sunflower Concept.

The nine-point plan presented to the Director General of Manpower in 1988 and to many others since has been anything but Utopian dreaming.

Phase one identifies those in need — such as decedent vagrants and inhabitants of bannan settlements.

Mr Brink described only one of Sunflower’s successes. Thirty minutes from Durban was the 200 000-strong settlement of Lindelani — the place of waiting. Not a single service existed, few had jobs and hopeful work seekers went daily to Durban only to return disappointed.

Then came Sunflower — each stage of development represented by the ploughing, planting, watering, spraying, budding, blooming, and not-self seeding of the plant for the future.

The critical factor in success was the commitment the community was prepared to give. The project depended entirely on direct involvement from design to completion.

To make known the objectives, a Lindelani management committee was set up comprising leaders and financiers. The types of buildings and facilities needed were decided on and handed to Sunflower Concept.

Plans, with costs, were prepared for approval by the committee. Financiers were approached for final go-ahead and fund allocation.

Training was not undertaken in a formal establishment but taken right to the community.

M&R’s strength lies in building and construction and this passing on of expertise makes the telling difference.

Instructors taught residents basic skills to build their own community centre. On which they practised during its construction.

Every one was invited to join free courses in bricklaying, plastering, painting and carpentry. There was real enthusiasm, theft or loss of tools was unheard of and the community’s buildings remained unsought in last year’s violence.

Lindelani now has a training centre, schools, a clinic, cottage industries, sporting and social facilities.

Newly acquired building skills were applied to housing, where the finishes were painstakingly done.

Self-employment became evident in hairdressing, tailoring, furniture making, handicrafts, clothing and market gardening among others.

Pictures in M&R’s Sunflower literature are delightfully captioned: material conveyor (lady with brick on head), water reticulation (drum with bucket on head) and assistant security guard (small boy wearing large cap).

Sunflower is active in several sites in Natal and at Thembisa in the Transvaal.

M&R is in the vanguard in meeting Finance Minister Barend du Plessis’ challenge to big business to help with social upliftment.

Incentive schemes make it a paying proposition — shareholders are not prejudiced by Sunflower. Even if they were, it would be worth it.
No jobs out there,
say school-leavers

By Winnie Graham

The unemployment problem among school leavers, including matriculants and newly graduated university students, has reached such alarming proportions that business in Germiston is funding a youth employment project and mothers are asking churches to pray for jobs for young people.

"We are worried sick about the future of our children, so we are asking churches to pray they will find work," a mother told The Star.

Graduated

"At the same time, we are appealing to members of our congregation to help us find jobs for our boys."

Her call was one of dozens which followed a recent news report highlighting the struggle inexperienced school leavers are having in finding work in Johannesburg and on the Reef.

Many have been job hunting without success for months and even years.

A Johannesburg mother whose son attended a private school and who graduated from university last year said he had written 100 letters in his search for a job — but had been invited to just one interview.

"My son was becoming so desperate that my husband approached his managing director for a job for him," she said. "He has a job now, but he earns less than most receptionists."

Another woman from Johannesburg's northern suburbs said the article had touched a raw nerve.

"My son has battled for months to find a job," she said, "but we hated admitting he was having no success. Of course we can afford to keep him, but he is totally demoralised by having to live on pocket money at his age. He wants to start his career, but there are no jobs available."

A B Com graduate said he had been equally unsuccessful in his search for a job. "There just aren't any jobs out there."

Kathleen Florence, who works for the Cape Coloured Corp, said 108 matriculants called at her office every Monday looking for work. Most had been searching unsuccessfully for a job for months.

"Most are school leavers without experience but I have a married man of 31 also desperate for a job," she added.

In Germiston, business is sponsoring a project "to restore a sense of worth through training to individuals who find themselves unemployed and lack skills, confidence and motivation to embark on their own income-generating initiatives."

Problem

A statement faxed to The Star said a fund raising competition was being launched soon to finance the infrastructure of the project, which would be deeply rooted in the community.

A survey by Industrial Relations Analytical Services says South Africa's current unemployment figure varies between 31 and 35 percent.

"The plight of the increasing numbers of unemployed is a real problem, particularly among school leavers," it says.

The project will tackle the problem by offering training to young people, assistance in embarking on income-generating projects and help to those not entrepreneurially inclined.
Retrenchments by embattled stockbrokers

Own Correspondent

JOHANNESBURG. — Stockbroking firm Ed Hern, Rudolph — one of the two largest stockbroking firms linked to the Old Mutual affair involving improper trading on the JSE — has officially laid off 14 of its 80 employees as a result of lost business.

This was confirmed yesterday by managing director Mr. Johann Blersch. Earlier in the day, however, the brokerage's executive chairman, Mr. Ed Hern, had said that 33 of the brokerage's 110 employees had been given notice last Thursday.

Mr. Blersch also confirmed that Mr. Hern himself had offered his resignation last week. Mr. Blersch added, however, that Mr. Hern's proposal was "totally unacceptable" to the firm.

Mr. Hern said the employees had been laid off as a direct result of declining business stemming from the alleged involvement of its dealing clerk Mr. Kenneth Pouché in the Old Mutual affair. Mr. Pouché was arrested and released on R500,000 bail three weeks ago.
Cheque book clue opens new line in Kahn investigation

By Ann Crotty

Stockbroking firm Ed Hern Rudolph retrenched 23 employees at the end of last week as the adverse publicity surrounding the Kahn investigation into irregular transactions took its toll on the firm's broking activities.

The news comes amid reports that the investigation by Advocate Frank Kahn was helped considerably by the discovery of a cheque book used by Guinness-based brokerage firm AW Bradshaw.

AW Bradshaw is run by former Zimbabwean broker Peter Rawson. Four weeks ago a warrant was issued for his arrest. The warrant was issued in respect of alleged fraud at the same time that similar warrants were issued for two Old Mutual employees Marco Celotti and David Schapiro.

None of these parties has been arrested and all are currently out of the country.

Two stockbrokers — Greg Blank, a director of Frankel Max Pollak, and Komey Fouché, a dealer at Ed Hern Rudolph — were arrested and subsequently released on R500 000 bail each.

According to market sources, the cheque book was seized at the offices of AW Bradshaw at the beginning of March, shortly after the investigation was handed over to Mr. Kahn, the Cape attorney-general.

Reports of the existence of the cheque book surfaced in the market last Thursday, just days after the dismissal of top Momentum employee Dr Christo Aueret.

It is now thought that the cheque book was used by AW Bradshaw to pay parties involved in the alleged irregular transactions being investigated by Mr. Kahn.

It was not possible to substantiate this line of speculation because Mr. Kahn was yesterday in his way back to Johannesburg from Cape Town where he spent most of last week.

Because the investigation is now under Mr. Kahn's control and is sub judice no other party was prepared to make an on-the-record statement in connection with the cheque book's existence.

JSE president Tony Norton was out of town on holiday, as were many of the JSE committee members.

Ed Hern did confirm the retrenchment of 23 of his staff, but emphatically denied rumours that his firm or any member of it had signing powers over the AW Bradshaw cheque account.

If the cheque book exists, and much more important, if it is in the hands of the Kahn investigation team, it presumably provides the sort of crucial hard evidence needed to take the firm action that has been the hallmark of the Kahn investigation.

At the initial stages of the investigation, it was felt the complexity of the deals under scrutiny (many of which allegedly included an overseas leg) and the circumstantial nature of the evidence would militate against successful prosecution of the case.

As Old Mutual's chief operating office Gerhard van Niekerk said at the time: "The transactions that came to light individually appeared completely normal, but collectively showed a suspicious trend."

Assuming that the stub of the cheque book carries names and amounts paid to various parties involved in the irregular transactions, then Mr. Kahn will have very strong supporting evidence for his case.

It had previously been thought that Mr. Kahn's investigation had been helped by a supply of evidence from a number of the implicated parties.

However, if such a cheque book is in his hands he would have less need for this sort of help.

This means that the chances of any party implicated in the investigation receiving a favourable hearing in exchange for information are considerably reduced.

Referring to last week's retrenchments, which were effected across the board, Mr. Hern said that when many other broking firms were retrenching people towards the end of last year, his firm was holding its numbers steady.

He acknowledged that the current investigation had seen trading volumes drop away recently.

It is understood that volumes at Frankel Max Pollak have also eased.

Ahead of the investigation, Frankel Max Pollak and Ed Hern were reported to have accounted for as much as 25 percent of the daily trade on the JSE.
Politicians blamed

By MOGADI PELA

POLITICIANS, trade unionists and all those who called for sanctions were to blame for the imminent retrenchment of about 2,500 workers at Gitmin's Stilfontein gold mine, callers who phoned disc jockey Tim Modise during the Sowetan Radio Talkback show said yesterday.

Chico from Industria said people should think before they leap.

"In fact the worst is still to come with more companies following the example set by the Stilfontein mine.

Workers' wages

"But the blame should be laid at the door of politicians."

Babs from Orlando East, Soweto, said if sanctions were to be lifted, black people's economic problems would be solved.

Patrick from Soweto suggested that instead of miners being retrenched, they should be transferred to other mines which were still operational even if it meant reducing the workers' wages.

He added that nationalisation of the mining industry could be another remedy.

George from Sebokeng blamed sanctions, adding that hundreds of black workers had already lost their jobs.

He said a national work stoppage would force the mine owners to retain those workers faced with retrenchment.

George felt that rather than being economically inspired, the move to retrench workers was racially-inspired.
Holiday firm lays off 500 workers

By DANIEL SIMON
CAPE SHARE CC — a former Somerset West-based timeshare company — yesterday laid off hundreds of employees countrywide and closed its offices amid a national police probe into allegations of fraud involving millions of rand.

The investigation has been going on for about three years.

Yesterday’s sudden shutdown of Cape Share’s activities has affected some 500 employees at 16 branches around the country.

It was also learnt yesterday that timeshare owners who bought packages through Cape Share could lose financially and receive little or no compensation if Cape Share-linked trust company Carmel Trust is liquidated.

The trust, of which Cape Share managing director Mr Frank Pennington and his wife are trustees, was provisionally sequestrated on March 18 following an application lodged by Cape Share.

Cape Share has been operating for about five years and has sold about 2,800 timeshare packages worth tens of millions of rand.

The company began experiencing cash-flow problems several months ago when employees telephoned newspapers to say they were not receiving their salaries. The company acknowledged then that it had a financial problem.

In a telephone interview Mr Pennington said that at present Cape Share had R8 million in assets and R3m in liabilities.

He said employees received notice of a suspension of their jobs yesterday morning by fax, in
The number of miners working at the gold mine is expected to decrease as a result of"next few years deeper in the mine." 

Gold diggers at this year more than 50,000 miners were expected to lose their jobs. The announcement this week that 10,000 miners will lose their jobs in the next few years is a significant blow to the mining industry. The number of miners working at the gold mine is expected to decrease as a result of the economic downturn and the rise in the cost of raw materials. In addition, the increased cost of transportation and the decreased demand for gold have contributed to a decrease in the number of miners working at the mine. This announcement is a significant blow to the mining industry and the local economy, and it is expected to have a ripple effect throughout the region.
Agencies confirm slump is hitting job opportunities

EMPLOYMENT agencies specialising in professional, secretarial, marketing, sales and clerical positions have experienced a drop of nearly 50% in the number of people being taken on, compared with March last year, a Business Day survey has found.

The survey, conducted among leading personnel agencies in Johannesburg, found there had been a drop of between 40% and 50% in the formal economic sector as the recession continued and thousands of people were laid off.

However, Browns Personnel Consultants MD Morris Walsh said although the employment rate had declined by nearly 50% from July last year to January this year, there was a huge shortage of skilled people in the engineering and technical fields.

The agency specialises in recruiting for the technical, production and manufacturing sides.

Increased

Walsh said SA was starved of technicians and engineers and needed a huge influx in the area.

Drake Personnel MD Grant Chaney said the agency was experiencing an increased demand on the industrial side.

In addition, there was a growth in temporary employment.

This, he predicted, would become a future trend.

Kelly Services MD John Dawkins said the situation was particularly bleak for matriculants, graduates and army-leavers.

However, while many companies were retrenching staff, firms would generally bend over backwards to accommodate "good" staff. Job opportunities were still available in more skilled areas.

Dawkins, in a statement, offered advice on ways of cutting down the risk of retrenchment included making oneself indispensable to the company by taking on as many extra responsibilities as possible, having pride in the company's product's and services, keeping up with company developments, cultivating an ability to get on with people and looking for better and less expensive ways of doing things.

He said most companies were cutting staff complements to the stage where every person in the company had to be productive. Training programmes were being discontinued. However, many companies still had training schemes, especially for black employees.

Professional Assignment Group chairman Sidney Catton said although the situation was bleak, and the formal employment sector was not providing sufficient jobs, the small business sector was gaining momentum.

He said typical SA companies were not taking a long-term view of the situation and employees lost to the formal sector were unlikely to return when the economy picked up.

Quest Personnel Group executive assistant Lyn Palmer said the type of jobs available at the moment were for people well qualified in their fields.

She said employees tended to place job security above financial improvement when considering a move.

Staff Plan spokesman Claire Collander said the situation generally was bleak and companies tended to employ people with qualifications and job experience.

Creata Personnel MD Marie Devereux said although the agency was still finding positions for qualified people, since about October last year it had become difficult to place graduates.
Unemployment figures reaching crisis levels

By Derek Tommey

Tens of thousands of people in the formal sector lost their jobs in the second half of last year, with the trend nearing crisis level.

Figures issued by the Department of Manpower show that the number of registered unemployed jumped from 135,431 in June to 221,657 at the end of December — an increase in joblessness of 86,226, or 63 percent.

Unfortunately, the figures do not tell the whole unemployment story. They cover only those who are registered as jobseekers. Nonetheless, the figures are regarded as a good indicator of unemployment in the formal sector because most of those registered are people who have been or are still entitled to unemployment benefits.

However, they are little more than an indicator to formal sector employment — especially at the Christmas season.

Many unemployed fail to register in December which, in this instance, is the last month for which figures are available. If previous experience is anything to go by, January figures will show an increase in the number of unemployed of anything from 10,000 to 20,000.

The second reason is that until recently only those earning below R40,248 a year were entitled to unemployment benefits. This stopped many from bothering to register.

Benefits

The limit for benefits has now been raised to R46,732 a year.

The Department of Manpower figures show that registered white unemployed numbered 16,918 at the end of January 1990.

But the figures had crept up to 21,712 by the end of June and then jumped to 34,900 at the end of December.

Coloured, Asian and black unemployment followed the same pattern. At the end of January 1990, 17,833 coloured people were registered as unemployed. The figure rose to 24,128 at the end of June and then soared to 40,571 at the end of December — an increase of 127 percent on the January figure.

The number of blacks registered as unemployed at the end of January last year was 70,554. The figure had risen to 81,194 by June and then rose to 136,530 at the end of December — a 53 percent increase.

The number of registered Asian unemployed rose from 6,494 at the end of January to 8,581 at the end of June and to 9,786 at the end of December.

The huge jump in unemployment in the second half of last year reflects substantial lay-offs by the mining industry and also by the building and manufacturing sectors. At the same time many service companies also reduced staff numbers.

It takes time for the results of an increase in formal sector unemployment to work through. One reason is that the jobless can claim unemployment benefits for up to 26 weeks. These are equal to 45 percent of their average weekly wage in their last 13 weeks of employment.

Many people in the formal sector who lose their jobs also receive pension or provident fund repayments.

Payouts

Sanlam reports that last year it paid out R575 million to people who had resigned from their jobs or who were retrenched.

It says the payments met the urgent needs of many people, but feels it was a pity that retirement provisions amounting to a million of rands were lost in this way.

To these figures on formal sector unemployment must be added those out of work in the informal sector, which can only be estimated.

These estimates range from 750,000 to more than 3 million. Whichever figure is the correct one, there is no doubt that it represents a grievous waste of productive resources.
Crisis is looming for new job seekers

PRETORIA — Only one in 10 of the more than 300,000 people entering the job market this year was likely to find a job in the formal sector if economic trends continued, Volkskas chief economist Adam Jacobs said yesterday.

He was commenting on the latest Central Statistical Service (CSS) employment figures in mining and quarrying, manufacturing, and construction.

These show that more than 70,000 jobs were lost in the three major employment areas last year. In December 1989 employment in mining and quarrying was 70,362. By the end of last year it had dropped to 58,000.

Manufacturing's total employment declined by 14% to 1.4-million and in construction the workforce decreased from 412,600 to 398,700.

The employment slide continued this year. In January manufacturing jobs decreased by a further 0.3% and construction fell by 1.3%.

Official figures show the formal sector's ability to absorb entrants into the job market was 73.6% between 1965 and 1970.

Between 1985 and 1989 it hit a low of 12.5% and could drop to one in 10.

Jacobs said only one in every eight new entrants to the labour market could find permanent work in the formal sector.
‘Fax cowboys’ rip off work-seekers

By DALE KNEEN, Weekend Argus Reporter

JOBLESS people desperately seeking employment are being conned by unscrupulous personnel agencies.

Job-seekers claim some of the estimated 150 agencies in Cape Town advertise non-existent jobs.

Others, which the industry called “fax cowboys” send curriculum vitae to companies without the applicant’s consent. It was reported that in one case an employee’s CV was faxed to his own company.

 Personnel agency employees are often not qualified and sometimes give bogus “personality and aptitude” tests.

A former personnel agency employee who did not wish to be named said a company she worked for attempted to hire well-qualified people by advertising jobs which did not exist.

“They try to find a person with good qualifications and experience and then find a position for that person. It would have been unusual for us to spend much time trying to find a job for a person who does not have a perfect CV,” she said.

Applicants were not told which company was offering the position or the salary.

Purposely vague

“We would purposely be vague, telling the applicant the company wanted to remain anonymous until prospective employees had been selected. “If the applicant asked the salary we would ask how much money he wanted,” she said.

A job would be virtually guaranteed for those deemed suitable.

Those who were not “perfect applicants” would have their CVs thrown in the bin.

An ex-company personnel officer, Mr Buyani Zwane, said he was “constantly poached” by agencies trying to find jobs for people.

“They phone even if we don’t have any openings. In fact, most of our recruitment is done by our own personnel department.”

“If we can’t find someone suitable we either advertise or use consultancies with a good reputation,” he said.

Code of conduct

In the computer industry consultancies can join the Computer Services Association (CSA) who have their own code of conduct.

Some companies, like Old Mutual, deal exclusively with consultancies who are members of the CSA to assist them with the recruitment of Information Systems Professionals.

An ethical code exists for personnel agencies affiliated to the Association of Personnel Service Organisations of South Africa (Apps).

However, the regional chairman, Mrs Frances Bruneckimmer, said only 31 personnel agencies in Cape Town had joined Apps.

The code of ethics states that Apps members may not advertise misleadingly and advertise must refer to bona fide openings. Apps members are also told to comply with the code of advertising practice as laid down by the Advertising Standards Authority.

Mrs Bruneckimmer said she had had come across “many” complaints about non-Apps agencies that had faxed CVs to companies without the applicant’s consent.

The code of ethics says Apps members may not submit any candidate details to a client company without the permission of the candidate and the company. Apps also insists on personnel agency staff complete an Institute of Personnel Service Consultants training course.

Consultant and personnel management lecturer Mr Rudolph Young advised job-seekers looking for jobs to first find out how long a consultancy had been in business before seeking their aid.

He also advised applicants to ask if the consultancy was a member of a professional body such as Apps or CSA and to find out if the individual consultants were qualified to do a professional job.

Mr Young said consultancies should give the applicant the name of the client company and state the remuneration package.

It’s up, down and flying around

By DAVID VIYAS

One of the lightest aircraft, apart from the microlights, that will be seen in action is the Volkswagen Beetle-engined CR2. Mr Andries van Dijk shows just how light she is.

Bush won’t delay lifting sanctions
Jobless time bomb critical
<table>
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<tr>
<th>Hospital retrenches 160</th>
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<tr>
<td>The Chamber of Mines Hospital has retrenched 160 people as a result of a consolidation in the provision of health services.</td>
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<td>According to chamber spokesman Peter Bunkell, the decision was taken after the chamber decided to rationalise its hospital services.</td>
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Mr Bunkell said the chamber had two racially segregated hospitals — Cottenloe in Auckland Park and Rand Mutual in Eloff Street, Johannesburg. (33)

This was wasteful and a decision had been taken to merge the two into one hospital. — Own Correspondent.
Edworks pegs hopes on major changes

FSI subsidiary Edworks is undergoing major changes to turn its losses at the December year-end into profits.

During the past two months the company introduced a "hands on management team" and cut back on certain service divisions, resulting in about 60 retrenchments.

Edworks, which covers Pick-a-Part, Marcello and Koko stores, incurred a trading loss of R11.4m in the year to end-December.

CE Hilton Nowitz said in an interview yesterday that Edworks' rate of progress had not been as fast as anticipated since it was bought by FSI following its provisional liquidation in June 1989. The company had not expanded since then — it remained with 270 stores — and its progress had been limited.

Although 60 people were retrenched, Nowitz said this had no implication for the stores or for the company's 1,400 workers. Retrenchments resulted mainly from the closure of head office departments, including property, marketing and printing.

Nowitz said the group's strength lay in the location of its stores, and with the long-term aim of expanding the business, new stores would open during the next few years.

A major problem with previous management was a lack of footwear expertise and a lack of knowledge of what was going on at lower levels. However, Nowitz said Edworks' problems were inherent in the business.

Edworks had reassessed all the areas which needed to be addressed, including market identity, margins, overheads, and particularly, the lack of systems.

Nowitz said the company was in a strong position in terms of future growth because of its new management team, backing and sound locations, and he expected a significant turnaround.

He said that FSI had made a commitment in terms of employing top management to help improve profits and "get back to basics".
South African mineworkers on gold mines will be hit yet again with the loss of a further 12,500 jobs at Anglo American mines.

The company announced yesterday that Freegold's north region would reduce its workforce by 8,000 out of a total of about 100,000 and that Vaal Reefs Exploration and Mining Company would cut 4,500 jobs out of 49,600.

This follows the announcement of the closure of Gemmin's Stifffontein and Bracken mines, which together will leave about 5,000 unemployed, and the retrenchment of 500 workers at Anglovaal's Lorraine Mine.

Last year Freegold's south region embarked on a process to cut 7,800 jobs. At least 2,516 workers have been retrenched so far and the process is continuing.

When the mining industry was at its peak in June 1987, it had a workforce of 528,000. But by the end of last year it had dropped to 443,000, a Chamber of Mines spokesman said — leaving some 83,000 workers without jobs in a 2½-year period.

Research

But the National Union of Mineworkers says more than 80,000 jobs were lost in two years alone since 1989.

NUM spokesman Jerry Majatladi said that according to the union's research, 99 percent of the workers who had been retrenched since 1987 were still without jobs. The number was increasing daily.

It was clear that the problem "of more than 100 years of economic mess by the mining houses" had reached a stage when it could no longer be seen as an NUM/Chamber issue but rather as a national problem, he said.

"For us, the solution lies in the restructuring of the mining industry with participation by the State, political organisations, mining employers and the unions and employee associations involved," Mr Majatladi said.

The union has called for a mining summit of the parties directly involved, Cosatu, Nactu, political organisations and the Ministry of Energy and Mineral Affairs to discuss the crisis.

Anglo spokesman James Duncan said it was not clear when the retrenchments at Vaal Reefs and Freegold mines would start as discussions with the NUM and other unions on retrenchment packages and other issues were continuing.

The job cuts were necessary in the current economic climate, with the low gold price and high inflation rate, he said.
ANGLO American Corporation yesterday announced that some 8,000 jobs will be lost at Freegold's north region operation.

"Management regret to announce that the loss of 8,000 jobs at Freegold's north region appears inevitable due to a decision to downscale the level of operations there.

"This decision arises from the reduction in (gold) ore reserves caused by lower profit margins and the fact that the exploitation of Freegold's mining lease has now reached an advanced stage.

"Discussions with employee representatives have already been initiated."

"At Freegold's south region 2,516 were retrenched last year." - Sapa.
Investment the key - UF chief

By JOSHUA RABOTKHO

EVEN an acceptable political solution and the lifting of sanctions would not of their own bring an automatic influx of investment on the scale South Africa needed, a leading industrialist said this week.

Speaking at the launch of the R2.5 million Cape Town Job Creation Project, trustee of the Independent Development Trust and chairman of the Urban Foundation Mr Mike Rosholt said before that could materialise the new government would have to persuade potential investors that its economic system was sound and acceptable.

He said the private sector in turn would have to demonstrate it could provide adequate returns.

He said: "Our recovery, initially at least, will have to be internally driven. This will result in a measure of employment creation by the private sector."

"But said to relate, history shows that on the whole, large businesses have not created meaningful numbers of new jobs in recent years - this is an international, not just a South African phenomenon."

This was partly due "to the fact that particularly in the manufacturing sector they have had to resort to increased mechanisation to remain competitive in international markets".

"In contrast, history has shown that small business has had a very good record in job creation, both in the formal and informal sector," Rosholt said.

Businessmen, by and large, were not particularly adept at politics and were unable to contribute meaningfully in that sphere.

But they had a tremendous responsibility to promote socio-economic progress which alone could tackle the issues of poverty and deprivation in this country, without which the stability and growth "we see so desperately need will not be attainable."

"The end of apartheid does not mean that all South Africa's problems will be over. No political solution, however perfect, will work unless it is matched by a strong economy, which will in turn provide the funds for really significant social investment."

He said in Cape Town alone, the population growth rate was already seven percent and 30 000 new jobs were needed a year to meet the expectations of a population which could conceivably double to five million by the year 2000.

"There is no easy or quick solution. Certainly the State, by ditching necessary fiscal disciplines and endangering longer term recovery, could produce projects calling for considerable employment."

Mr Eric Ismay, the chairman of the Cape Town Job Creation Project, said: "Our initiative involves more than job creation. We are in the business of developing new entrepreneurs and creating new businesses."
Financial and administrative problems have forced the closure of the head office of the National Unemployed Workers Co-ordinating Committee, a Cosatu project.

Elias Mophutu, NUWCC national education officer, said the organisation faced a financial crisis after R1-million given by Norway in 1988 ran out this year. High staff turnover and a skills shortage in the regions had hampered proper accounting and funders had refused further aid.

He said the aim was to keep the NUWCC's component regional organisations going, although it was "unclear" how these would be coordinated. The Cosatu executive committee recently agreed that NUWCC regions should work closely with regions of Cosatu.
Gold 'now a jewellery luxury'

Anglo to cut 12 500 jobs at two mines

ROBERT LAING

ANGLO American is to cut about 12 500 jobs at its two largest gold mines, Freegold and Vaal Reefs. Anglo's gold and uranium chairman Clem Sunter said yesterday.

His announcement was made at a briefing in Johannesburg on the quarterly results of the group's six gold producers which suffered an 18.6% fall in net profit in the March quarter to R133.8m (R164.4m).

The news of the cutbacks comes in the wake of recent announcements that Rand Mines' Harmony mine had cut its workforce by 6 039 and that Anglogold's Lorraine was to reduce its workforce by 500. Earlier this month Gemmin said about 2 400 workers at Stillfontein would lose their jobs as the mine is to be closed.

Further job losses are expected if the gold price does not recover.

Yesterday the gold price once again dropped through the $300 resistance level to close in London at $298.55 (from the previous day's $300.75).

Sunter said jobs would be cut at the Freegold mine because it was running out of payable stope face in its north region, making 8 000 of the 49 600 men in the section redundant.

Vaal Reef, near Orkney, will trim production at its No 3 and 4 shafts, resulting in 4 500 jobs being lost.

Sunter emphasised that retrenchments should be less than the number of jobs lost because of natural attrition and vacancies at other sections.

He said the cutbacks were needed for the mines to survive the stagnating gold market and to contain working costs. Sunter emphasised that gold had become a purely luxury commodity used in jewellery.

"The future of the industry depends on aggressively marketing gold to working women," Sunter said.

"Fingers cannot be pointed at anyone — the industry has good management, a strong work ethic and responsible unions."

* See Page 7
Anglo cuts 12,500 jobs at two mines

JOHANNESBURG. — Anglo American is to cut about 12,500 jobs at its two largest gold mines, Freegold and Vaal Reefs. Anglo's gold and uranium chairman Mr Clem Sunter said here yesterday.

His announcement was made at a briefing on the quarterly results of the group's six gold producers which suffered an 18.8% fall in net profit in the March quarter to R133.8m.

Further job losses are expected if the gold price does not recover. Yesterday the gold price once again dropped through the $360 resistance level to close in London at $358.55 (from the previous day's $360.75).
Towns in crisis as mine cuts force closures

The Argus Correspondent

JOHANNESBURG — The crisis in gold mining is having a severe effect on many businesses and jobs in towns that have grown dependent on the industry.

According to Mr Roger Lacey, senior economist at the South African Chamber of Business, the overall effect of moves in the industry could lead to reduced growth even outside the mining sector with severe social and political consequences.

Feeling the pinch

After the decision to close Gengold's Stilfontein mine two weeks ago, many of the town's shops and small businesses admit they have been deeply hit. No mine means no mine purchases of food and supplies, and no spending of miners' wages in the community.

While Stilfontein is the most graphic example, many other mining towns are also feeling the pinch.

Businessmen involved in traditional supply and support operations with the mines are being forced to cut back, pushing unemployment up and consumer spending down.

In Welkom which has just been hit with the news that Anglo-American intends retrenching a further 12,500 workers on Free State Consolidated mine the situation is also bad.

Mr Aubrey Myschens, executive director of the OFS Goldfields Chamber of Commerce and Industry, says some businesses have already been forced to rationalise and close down.

"In the short term there will definitely be an adverse effect on the economic activity of the town," he said although he is optimistic that business will ultimately pick up again.

In Carletonville, the chamber of commerce says the mining crisis has already led to some non-mining retrenchments.

"The small businessman is suffering a lot and there is a general feeling of insecurity," observed Mr Amanje Claisen, president of the chamber.

In Klerksdorp, whose chamber also includes Stilfontein, the situation is even grimmer and businessmen have begun to look for ways of expanding out of dependence on the gold industry by increasing development in areas such as agriculture and industry.

"The ultimate objective is to for the town to wean itself from the mines," says Mr Colin Hyman, president of the West Vaal Chamber of Business.

Nevertheless, in an area where at least 80 percent of all business is mine-related and mines contribute 63 percent to the region's GDP, Mr Hyman admits that this is a difficult task.

"The situation's going to get worse before it gets better," he said.
Gold mining towns already feeling pinch

By Mark Suxman

The current crisis in the gold mining industry is having a severe effect on many businesses and jobs in towns that have grown dependent on the industry.

And according to Roger Lacey, senior economist at the South African Chamber of Business, the overall effect of the moves could lead to reduced growth even outside the mining sector, with severe social and political consequences.

After the decision to close Gengold's Stilfontein mine two weeks ago, many of the town's shops and small businesses admit that they have been deeply hit; no mine means no purchases of food and supplies, and no spending of miners' wages in the community.

But while Stilfontein is the most graphic example, many other mining towns are also feeling the pinch.

Local businessmen involved in traditional supply and support operations with the mines are being forced to cut back heavily, helping to push unemployment up and consumer spending down.

In Welkom, which has just been hit with the news that Anglo American intends retrenching a further 12,500 workers on Free State Consolidated mine, the situation is also bad.

Optimistic

According to Aubrey Nyschens, executive director of the OFS Goldfields Chamber of Commerce and Industry, some businesses have already been forced to rationalise or close down as a result of the current climate.

"In the short term there will definitely be an adverse effect on the economic activity of the town," he notes, although he is optimistic that business will ultimately pick up again.

Similarly in Carletonville, the local chamber of commerce notes that the mining crisis has already led to some non-mining retrenchments.

"The small businessman is suffering a lot and there is a general feeling of insecurity," observes Annetjie Claassen, president of the chamber.

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"The ultimate objective is for the town to wean itself from the mines," says Colin Hyman, president of the West Vaal Chamber of Business.

Nevertheless, in an area where at least 80 percent of all business is mine-related, and mines contribute 62 percent to the region's gross domestic product, Mr. Hyman admits this is a difficult task.
Retrenchment pain relieved

THE WIDENING net of re-
trenchment — the corporate
curse of the 1990s — has led
to rapid growth for the Cen-
tre for Human Development.

It was set up by the Cham-
ber of Mines four years ago
to advise companies on pro-
ductivity and coping with the
job-loss trauma.

The centre was formed ini-
tially to help chamber mem-
bers and affiliates as the
threat of a lagging gold price
to the industry became ap-
parent.

But its services have spread
to other companies. Today its
nine centres and 100-strong
professional staff of psycholo-
gists, psychiatrists and social
workers are self-funding.

The centre is affiliated to
the Chamber of Mines
through its Employee Assist-
ance Programme (EAP), but
increasingly its work is
spread throughout the com-

Business Times Reporter

“Retrenchment, with its
natural consequences of di-
minished self-concept, finan-
cial stress, lower standards
of living and increased
crime, can paint a nightmarish
scenario if left unattended,”
says Dr Rijavec-Volpe.

“We have developed
models which mean we can
help any company and its
employees to handle re-
trenchment in a better way,”
she says.

She says that if retrench-
ment is badly managed it can
have “disastrous con-
sequences” for companies
and people. It can give a
company many difficulties
from a demotivated and un-
trained staff.

“For the individual it is an
ego-bashing experience, ir-
respective of how earnestly a
company tries to depersona-
lize the experience.”
Union Fears of 7 Million Jobless
AAM to protest Sasol firings

The Anti-Apartheid Movement of London is to picket the South African embassy on Friday to demand the reinstatement of fired Sasol workers, according to the "South African Chemical Workers Union.

The gesture is a sign of support for 800 workers dismissed during a strike.

The workers, after losing a protracted legal battle for their jobs, are campaigning for the matter to be brought before an international tribunal, said a Saewu spokesman.

- He said the union had also approached the South African Council of Churches to intervene.

Earlier this year, residents of Zamdela, near Sasolburg, embarked on a consumer boycott to force the company to reinstate the workers.

Discussions between the company and the Zandela Crisis Committee, which co-ordinates the boycott, are under way. - Sowetan Reporter.
Gentle words that take the edge out of axing

Charlotte Mathews

WITH the spectre of retrenchment stalking through SA's depressed economy, consultants have come up with a lexicon of soft words for use in these hard times.

An advertisement in Tuesday's Business Day sets the gentler tone: Phillips, Fisher and Associates, retrenchment and dismissal consultants, offer a specialised service in "employee termination procedures".

In these politically turbulent times, Phillips, Fisher says, "the reorganisation of human resources" is going to be a crucial issue for many companies.

On the same day as Phillips, Fisher's ad appeared, a media release was issued by a company called Career Transition International (CTI).

CTI has been introduced to SA by leading headhunter Redelingshays and Co "to help ease the trauma of retrenchment", it says.

"This service, called outplacement, is a counselling service offered to departing employees to help them come to terms with the situation," says CTI.

"Letting someone go is probably one of the most unpleasant tasks any manager faces," CTI associate director Pauline Hyde says.

But another firm of outplacement consultants, Chart, advertising in last week's Financial Mail, spells out the bottom line:

"Retrenchment, down-sizing, cost-cutting, restructuring... they all mean the same thing — SOMEONE HAS TO GO."
Ranks of destitute whites swelling

At least 20,000 Afrikaner families are destitute in Pretoria alone, a welfare organisation for Afrikaners, Werk en Oorloof (Work and Survive), estimates.

The organisation has nearly depleted all its cash and food resources to alleviate the urgent plight of newly impoverished, jobless whites in the Pretoria region.

Klointjie Pereira, who has run the shop-front welfare office in Pretoria North for six years without any government subsidies, says six or more newly destitute families now approach them for help each day.

She estimates that at least 20,000 Afrikaner families are destitute in the Pretoria region — although the families are often supported by their employed relatives.

Laid off

Werk en Oorloof prefers to encourage destitute Afrikaners to take jobs offered through the organisation.

These usually involve temporary repair or building jobs, but often they also become "scab" labourers during strikes. When the strikes end, they are laid off again.

"Many of these men are skilled artisans, former mineworkers and railway employees who were retrenched.

"The level of destitution among these Afrikaners in Pretoria is becoming very critical. We used to feed and provide clothing to between 600 and 800 families, but have been experiencing an alarming increase recently."

While most of the needy approach the organisation for jobs, others, usually pensioners, also fetch basic foods and second-hand clothing from the shop.

— Sapa.
Plan to create new jobs

Political Staff 25/4/81

A GOVERNMENT strategy to gear the economy towards greater growth and job creation is to be unveiled by Economic Co-ordination and Public Enterprises Minister Dr Dawie de Villiers in Parliament today.

Based on a plan drafted by the late Dr Wim de Villiers, a three-year short-term strategy is envisaged to get the long-term strategy going. Sources estimated that within this three-year period up to 400 000 man-years of jobs could be created.

The strategy calls for the use of strategic supplies for socio-economic infrastructural projects, with the focus on schools, clinics, police stations and housing. It includes provision for labour-intensive construction methods to create jobs in the short term while giving on-the-job training. It is believed these projects will lower South Africa's dependence on imports.

The strategy rests on co-ordinated effort, namely: Increased productivity (rather than capital growth) and job creation from the private sector; labour peace and lower wage demands, and an environment created by government to allow private initiative with minimal constraints.

The broader strategy disclosed over the past year rests on the principles of growth, job creation, increased manufacturing and exports, improved international competitiveness, removing protection and reduction of inflation.
White-collar workers are now walking the streets

Unemployment among white-collar workers is on the increase, as the recession continues to deepen.

This upsurge in the number of unemployed qualified people was confirmed by employment agencies who estimated that the number of new placements had dropped by about 50 percent since the middle of 1990. As a result, existing personnel are having to take on more responsibilities.

Drake Personnel MD Grant Chaneey says: "Even directors and very senior personnel are being laid off. In cases where there were two divisional managers, many companies are now making do with one."

Kelly Services MD John Dawkins agrees: "We are getting orders for people who can handle more than one kind of job."

He added that while there had been a decline in the number of permanent placements, companies were making greater use of temporary staff. Particularly hard hit by retrenchments is middle management in the advertising, mining and service industries. Also badly affected are middle managers in medium to heavy industry. Engineers in the steel and construction industries have been badly affected as these sectors suffer from stagnation as a result of the recession. Gold mines, reeling from a plummeting gold price, have been forced to lay off engineers and middle management.

The crisis-ridden Rand Mines announced last week it was undertaking widespread rationalisation measures which will include staff cuts.

SA Federation of Civil Engineers executive director Kees Lagaay says: "Consulting engineers firms are laying off technical staff because there is less money available for development projects."

Lagaay said the situation was being exacerbated by the government's unwillingness to release money earmarked for development.

"There are funds which have been made available for township development and ways must be found to expedite their spending," he said.

Maritailants, army leavers and graduates are having it tough.

"Companies are looking for people with experience," said Staff Select MD Jennifer Herselman.

A representative for the SA Institute of Chartered Accountants confirmed that there were fewer jobs available in the profession, but said there had not been an increase in retrenchments among accountants.

The Standard Bank's chief economist, Nico Cuyper, said the number of professional posts had shrunk. However, it was still possible for graduates to find jobs.

"Jobs are available but what is happening now is they cannot dictate the terms of employment," he said.

Many companies have begun upgrading the skills of employees. Unable to find jobs elsewhere, many retrenched professionals have turned to doing part-time jobs. Quest Personnel MD Lynn Palmer advised people to hold onto their jobs.

Professional Assignments MD Sidney Caton said he had noticed a trend among companies to cut back on inexperienced personnel.

"Those people who have no experience are having a problem and it is even more difficult for people who have no specific career direction such as BA graduates," said Caton.

Herselman said the ending of sanctions and the decrease in violence might help alleviate the crisis.

Dawkins says: "There are indications that towards the end of the year there might be an increase in the jobs available. The increase will be in the long term. We hope to see a slow improvement toward the end of the year and a blossoming in 1992."
The law and retrenchments

In the last article we said that the role of the law is to oppress and exploit the working class. The law is made by the state in the interest of the capitalist class. In this article we will show how the law legitimises the termination of employment of the worker in circumstances where the worker is no longer necessary to the employer's interests. The employer then follows the procedures in the retrenchment agreement.

4. Reasonable Criteriа

The employer must give reasonable criteria or reasons for the retrenchment. These reasons would normally be given during consultations and can be divided into two categories:

4.1 Operational Requirements

The company must give reasons why the retrenchments are necessary. The law says that the "operational requirements and needs" of the company should be taken into account. The law does not say that the words of the worker should be taken into account. The fact that retrenchment will cause eviction, rejection of household goods, hunger and misery is not important to the legislator. The company states that the reason is because the company is operating at a loss, then the company has to prove this by showing its financial statements and reports. The trade unions would normally demand that the company should open its books.

4.2 Selection Criteria

The employer must give reasons why he chose to retrench the workers selected for retrenchment. The law says that these reasons must relate to the ability, capacity and productivity of the worker. The employer must give reasonable reasons for the selection of the workers. The employer must give reasons why the workers are selected and why the others are not.

Avoidance of retrenchment

There is no solution to retrenchments. Only a society where production is for the needs of the people and not for profit makes for a few individuals will not be a problem with retrenchments.
Soweto Jobless Put to Work

By Terry Betsy
A further 600 jobs are to be shed by the Metro group, sparking union demands for a say in restructuring and threats of a group-wide, one-day sit-in strike if the demand is not met.

Nine thousand SA Commercial, Catering and Allied Workers' Union members would strike today if talks yesterday with Metro's holding company, Tradegro, failed to yield results, Saccawu warned. Affected would be Metro Cash and Carry, Frasers, Greenstein and Rosen, Trade Centre and Fairways outlets nationwide.

More than 200 workers have already been axed, and the union traces this to a Sanlam/Tradegro restructuring exercise culminating in the deal giving the Premier group control of Metro.

Both Premier and Sanlam are told to meet the demands, which include a moratorium on job cuts and reinstatement of retrenched workers. But the focus is significantly wider — like Cosatu's mine and metal unions, Saccawu is seeking an enhanced union role in reshaping the industry.

A Saccawu statement said it wanted full consultation on restructuring, which should be linked to Cosatu's goal of growth through redistribution and encompass training, literacy development and job creation. Little effort had been made to consult, it complained. "We are now entering a new order ... and the modus operandi of conglomerates like Sanlam will no longer be tolerated."

HOPE for jobless around Edenvale

JOVIAL RANTAO

John Povey, chairman of the steering committee, said the committee has started with car-wash schemes at major shopping centres on Saturdays. So popular has the scheme become that some Edenvale residents are said to go to shopping centres just to have their cars cleaned.

"The car wash project has flourished to such an extent that we've been approached by companies who want our members to wash their fleet cars," he said.

When the project started, each member was paid R20 a day. But things have improved since then. Now HOPE can charge R6 a car. Of this each man receives R2,50 for every car he cleans. The remaining R3,50 is used to buy washing materials.

HOPE has not only provided work for the unemployed men, it has also established a bureau through which Edenvale residents can hire reliable domestic staff and gardeners.

Mr Povey said that HOPE has been given a grant of R20 000 by chemicals giant AECI. This is to be used for establishing a secretariat which would co-ordinate the organisation's activities.

And the East Rand Industrialists Network, the Bruma Lake Rotary Club and the Edenvale and Germiston chambers of commerce have all offered to help HOPE members through their job-creation programmes.
Employment outlook

bleak as jobs axed

By Michael Chester

More than half of all companies in the manufacturing sector plan to cut their labour forces in the next 12 months and the employment outlook is bleak, the SA Chamber of Business (Sacob) warned yesterday.

Economist Keith Lockwood said recent surveys showed that no fewer than 58 percent of factories forecast a decline in their unskilled labour forces and more than 50 percent expected cuts in skilled workers.

The outlook, he said, appeared to be the worst since 1985/86, when the sanctions blockade was reinforced.

Employers were dismayed, not only by the current violence, but also by labour unrest and the scale of demands being made at new wage negotiations.

It was impossible to predict the precise size of the cutbacks, but the pattern and timetable of new investments suggested that a growing number of companies intended replacing workers with machines "if it means machines will be less trouble than manpower."

Sacob economic consultant Gad Arlovich said that, with an unemployment level already made critical by the loss of an estimated 83 000 jobs on the gold mines, more retrenchments were due.

He said the real unemployment rate in South Africa was already about 20 percent, which by Western standards was "sky-high."

Mr Lockwood said it was significant that cutbacks were even spreading to skilled worker categories, and manufacturers expect employment opportunities for both skilled and unskilled workers to be lower.

Sacob chief economist Dr Ben van Rensburg said the overall level of business confidence had improved marginally between March and April but was still very fragile. It was therefore crucial that negotiations on a new political dispensation remained on track.

● TPA to ditch 19 000 jobs — Page 3.
Mine and union work to reduce retrenchments

MANAGEMENT of Western Deep Levels mine near Carletonville agreed this week to halt temporarily processes to identify almost 500 employees to be retrenched, after proposals by the NUM on minimizing retrenchments at the mine.

Anglo American spokesman James Duncan said yesterday management had agreed last week to consider the proposals and report back to the union by today. It had also agreed to halt until today interviews to identify who would be retrenched.

Duncan said negotiations on the loss of 1,004 jobs at the mine began in January. As a result of talks and "certain avoidance measures", the number of retrenchments was reduced to fewer than 500.

NUM assistant general secretary Marcel Golding said this week the NUM had proposed a number of ways to minimize job losses at the mines, including proper transfer procedures which did not entail a loss of pay.

Proposals were also made on retraining workers for new or alternative jobs, or jobs in other industries.

Golding said agreement still needed to be reached on severance benefits, conditions regulating the transfer of workers either internally or to other mines, and union proposals for a retraining and job creation fund.

The NUM's demands on severance benefits included four weeks' ex gratia pay and four weeks' notice pay, Golding said.
Flood of jobs for white 'servants'

BLOEMFONTEIN. — Unemployed white women and girls have been appointed in office jobs “that became available from nowhere”, Mrs Habsie van Huyssteen, co-owner of Madeliefie — a domestic servant employment centre mainly for black women, has told a newspaper here.

Last week a community newspaper reported that white women and girls in the city were so desperate for jobs that they were prepared to work as domestic servants for as little as R200 a month and sleep in servants’ rooms.

Mrs Van Huyssteen said that not one of the women had been appointed to domestic service. Many of the people who had offered office jobs had said they were doing it to help, not because they really needed someone.

Mrs Van Huyssteen said there were now more jobs offered than there were applicants. People had reacted from as far afield as George, Baplaas, Jeffrey's Bay and Vryheid.

She said that many people were prepared to assist with jobs to get the women on their feet, because the women were prepared to do something like domestic work to “keep the pot boiling”. — Sapa
BLOEMFONTEIN — Unemployed white women and girls in the city are reported to be so desperate for jobs that they are prepared to work as domestic servants for as little as R200 a month.

However, Babsie van Huysesteen, co-owner of a domestic servant employment centre mainly for black women, said office jobs "became available from nowhere" when the plight of the women became known.

No white had been appointed to the post of domestic worker, she said.

Last week a Bloemfontein community newspaper reported that white women and girls were so desperate that they were also prepared to do domestic work.

She said many of the people who had offered office jobs had said they were doing it to help, not because they really needed anyone.

Mrs van Huysesteen said the women’s cry for help had so gripped people that there were now more jobs offered than there were applicants.

People had reacted from as far afield as George, Badplaas, Jeffrey’s Bay and Vryheid. The jobs were not only for domestic workers or child minders.

She said many people were prepared to assist with jobs to get the women on their feet.

Accommodation had been offered for older women who did not have shelter. — Sapa.
10 000 at TPA may lose jobs

THE Transvaal Provincial Administration is to phase out more than 10 000 jobs in the "next few years".

Deputy director-general of the TPA Mr Aubrey de Smidt said this was in line with the TPA's move to streamline its functions.

"It will not be one big exercise of retrenchments but will affect everybody irrespective of colour," De Smidt said.

The TPA employs almost 94 000 people and has in the past few years begun to phase out some projects, especially in the roads, works and nature conservation departments.

Asked about the effect on black employees, De Smidt said: "We have analysed functions that can be done away with but I cannot say if blacks would be the hardest hit. One way of phasing out jobs is not to fill a vacancy if someone resigns."

The TPA has reported losses of hundreds of millions of rands in rent and services arrears as well as in financial planning and budgeting.

Adding to its woes is that black local authorities owe it millions of rands and the TPA had to write off arrears in some townships.

The budgeted sum of R26 million for the 1990/91 fiscal year was eroded by payments of up to R75 million a month in the first quarter of last year.

This money was a bridging finance package to black local authorities who did not manage to negotiate a resumption of rent and services payments.

By ALI MPHAKI
Mine pension funds still in good shape

By Derek Tommy

The many retrenchments by the mines will not affect the performance of their pension funds, says Here Hefer, chairman of the Mine Officials Pension Fund.

He said yesterday the growth of the funds was primarily dependent upon investment performance, and not on contributions forfeited by members resigning after short service, as was the case in some funds.

He said that the funds were professionally managed and that their investment performance had been good.

The Mine Officials' Pension Fund had shown an average growth rate of 22.5 percent a year for the past five years, while the Mine Employees' Pension Fund had shown an average annual growth of 22.7 percent in this period.

This had enabled the funds to increase pension and other benefits by 14.4 percent in the past year.

The total assets of the two funds had increased by 10.5 percent in 1999 from R9.3 billion to R10.3 billion.

During the year the funds had paid out R81.4 million (R75.2 million) in lump-sum benefits and R97.9 million (R87.8 million) in pensions.

Mr Hefer was concerned about the effects the retrenchment of personnel on the mines could have on the black population.

On average, one mineworker supported nine people. Therefore, the retrenchment of 100 000 could create hardship for one million people, he said.
Job seekers jeopardised by bogus schemes

David Canning in Durban

SOME job applicants, especially in the “scarce” professions, are placing their own positions in jeopardy by responding to fictitious posts advertised in specialist and other media by personnel consultancies.

An inquiry this week found that this is just one of a number of “scams” operating in the local and national placement field, including:

- Staff responsible for recruitment in some companies accept gratuities or “kick-backs” in exchange for business from consultancies.
- “Post-box recruitment” schemes operate in which the job applicant is requested to send a sizable sum of money to a box number. A recent advertiser of posts in Saudi Arabia recently skipped the country after being exposed.

The charging of excessive registration fees (anything over the figure of R1 laid down in the Guidance and Placement Act).

“Fax cowboys” who operate with only low-level “consultants” trained simply to take applicants’ personal details and then rapidly to fax out their CVs to all and sundry—in the hope that some employer will show an interest. Referral commission then is claimed, even if the employer subsequently hires the candidate as the result of personal contact, or through another consultancy.

A former consultant said the philosophy of these firms is that it’s easier to find the person through a bogus job ad—and then to “sell” him or her, based on the CV. This practice is most common for “scarce” professionals like chartered accountants, electronic engineers, and well-qualified blacks, because their placement is much more certain.

In at least one case an applicant lost his job because his own employer was—unknown to him—supplied with his application and CV.

Patience Lorimer, national administrator of the Association of Personnel Service Organisations of SA (APSO), said her body was fully aware of these unscrupulous operations.

APSO’s code of ethics barred such practices but membership was not obligatory. APSO was prepared to investigate complaints but generally could not get job-seekers to lodge formal complaints.

She said the problem of “fax cowboys” was so acute that some employers placed wastepaper baskets under their fax machines “to catch all the unwanted CV.”

Commissions in the industry can be lucrative—amounting to between 15 and 20 percent of the recruited employee’s annual salary package.
Jobless rate on increase in South Africa

UNEMPLOYMENT in South Africa is getting out of hand, says Sanlam's chief economist Mr Johan Louw.

In his latest economic survey released yesterday, job creation is described as the country's greatest challenge.

"It is becoming increasingly clear that the country's future depends on the solution of this problem," Louw said.

He said the economy's ability to support new entrants into the labour market had decreased disturbingly.

Until about 20 years ago, about 74 percent of new entrants could find work in the formal sector. This decreased to 63 percent in 1970-75 and dropped drastically to only 35 percent in 1975-80.

In 1985-89 the "extremely low level" of 12.5 percent was reached and now only one out of every 10 entrants to the labour market could be employed in the formal sector.

Louw said unemployment had become a structural problem in the South African economy.

Drastic

Drastic steps were needed. If a solution was not found, more than 40 percent of the total labour force would be out of work by the turn of the century.

"It is very clear that, if we want to maintain peace and order in the South Africa of tomorrow, wide-ranging measures will have to be introduced to create more job opportunities," he said.

Firstly, poor economic growth needed to be addressed, particularly the disappointing pattern of fixed investment.

Other factors included the violence in the country and uncertainties about the political road ahead.

Without foreign help, the problems of poor growth and unemployment could not be solved, Louw said.

Only when remaining sanctions and boycotts had been lifted, would meaningful growth become possible. - Sapa.
Senior executives join the jobless queues

RECESSIONARY conditions were flooding a shrinking employment market with retrenched senior executives, leading "head hunting" agencies said yesterday.

Retrenchments by corporate giants were higher than before, and job opportunities were diminishing, they said.

Thea Search Consultants MD Brian Pfaff said his company "never had so many senior people coming to us to find new employment".

He said it was becoming increasingly difficult for retrenched executives to find jobs, as companies now could be highly selective about their needs.

Search Outplacement MD Monty Woods said the number of highly skilled people looking for jobs, combined with a decrease in the number of available positions, was making it increasingly difficult for retrenched employees to find work.

Industry sources said retrenchment pay varied from one company to another, and from employee to employee, but the average pay-out was in the region of R30 000, or six months' salary.

Woods said retrenchment pay was little consolation for the loss of security and self-esteem that frequently accompanied retrenchments.

South Africans saw little point in going abroad, with job markets in Europe and North America even more depressed than in SA.

He said the time taken to find a new job through outplacement agencies had increased to more than four months. Executives who chose to search on their own behalf were taking even longer.
Despite considerations of population distribution and economic benefits, the project to expand the railway line to the north and west of the city has faced significant opposition. Opponents argue that the construction would lead to environmental degradation and displacement of local communities. The project is expected to cost £1.5 billion and requires an additional £200 million for infrastructure improvements.

The Ministry of Finance recently announced that the project would receive a loan of £1 billion from international financial institutions. This loan is contingent upon the implementation of strict environmental safeguards and the establishment of a resettlement fund for affected communities.

The Minister of Finance, Mr. C. Beacham, has stated that the government is committed to balancing economic growth with environmental sustainability. He emphasized the importance of public participation in decision-making processes and the need for transparent and inclusive governance.

In response to concerns raised by opposition leaders, the Ministry of Finance has issued a statement reiterating its commitment to the project. It assured the public that the implementation of the project would adhere to the highest standards of environmental protection and social responsibility.

After a series of public debates and consultations, the project is scheduled to commence in 2022, with the first phase expected to be completed by 2025.
HOUSE OF ASSEMBLY

[Paragraphs of legislative text]

TUESDAY, MAY 1967
Unemployment Transition

To orderly transition
UNEMPLOYMENT is getting out of hand and only one in every 10 people entering the work force is now assured of a job in the formal sector, says Sanlam in its Economic Survey for May.

Provision of employment has become South Africa's greatest challenge. The economy's ability to absorb those entering the labour market has declined disturbingly since 1965-1970 when 74% of job-seekers could be placed. Unless drastic steps are taken, unemployment, now at about 38%, could rise to 40% before the end of the decade.

"It is clear that to maintain peace and order in the South Africa of tomorrow, wide-ranging measures are needed to create more jobs," Sanlam's views are endorsed by Nedbank economist Edward Osborn, who says: "About 1,000 people enter the labour market every day. I doubt if the economy could provide more than 50,000 new jobs in a year."

"Some people believe we need economic growth of 5% to solve the unemployment problem. But the problems associated with structural unemployment will not go away unless we have growth of more than 7%.

"Under present circumstances we cannot expect it to be more than 3% in the foreseeable future."

Violence

Econometrix director Anar Janiese says there has always been a close link between unemployment and public violence.

"But violence has become part of the status quo. Businessmen regard it as a constant and scale down their expectations accordingly. Increased unemployment could raise the level of violence. "Violence may not abate even if there is a significant drop in unemployment."

Mr Osborn says the wave of unemployment was set off by a huge decline in fixed investment that began in the early 1960s. The services sector and the Government were the only employers to increase staff numbers.

Jobless

to cartels that keep prices high. Allowing SA financial institutions to invest part of their funds abroad would help deconcentration and could stop the SUSE paper chase.

"We must privatisé private banks at the Government's disposal without raising taxes and to spread ownership through the community.

"But the most of all we should hope for a confluence of events that includes a peace accord in SA, an upturn in the world economy leading to higher commodity prices, and a higher gold price."
Growth hopes pinned on people’s pockets

SA needs a 9% growth rate every year for the next 20 years to provide jobs for all, says an ANC discussion paper on wages, employment and unemployment prepared for its national conference next month.

The paper will form the basis of delegates’ discussions on a future economy and proposes a leading economic role for the state in a future society.

"All unemployed workers could be employed in viable enterprises within 20 years if the economy could be made to grow at 9% a year. An extra R15bn would have to be invested each year in the manufacturing industry alone to achieve growth of 9%.

It says this R15bn will have to come from people’s pockets. [DSS]

"It is also doubtful whether capitalists are willing to invest for the future. They have certainly failed to do so during the past 10 years. There is a very strong case for a democratic government taking over the job of investing in growth because there isn’t anyone else who will do it," the paper says.

The ANC says company profits increased by 25% last year while unemployment rose to 40%. It calls for "sound economic planning and government intervention" to create jobs, increase wages, provide goods, housing, education, and health. It says life insurers like Old Mutual and Sanlam have large amounts of money that can be invested in productive enterprises.

It calls for an improved Unemployment Insurance Fund for the unemployed and for youths that have never had jobs. It says an ANC government will launch a mass literacy campaign and adult education programmes. Government action would be needed to protect low wage earners by law.

A second paper on human resource development and training proposes a unitary, national education system and mass training to address the racially based skills imbalance in SA.
Retraining funds a top NUM priority

THE creation of retraining funds has emerged as one of the National Union of Mineworkers' (NUM's) top priorities in mining retrenchment talks between employers and the union.

NUM spokesman Roy Sewnarain said demands for training funds were based on the need to equip unskilled workers with basic training, enabling them to find work in other categories such as brick-laying and carpentry.

Retraining had not yet been established at the various mines affected by retrenchments as the union was still investigating how to best utilise these funds, he said.

Sewnarin said the NUM was currently negotiating retrenchments at several mines including Vaal Reefs, Western Deep Levels and Doornfontein near Carltonville, Stilfontein near Klerksdorp and Africa Cryosotile Asbestos near Nelspruit.

At Western Deep Levels, the union was negotiating the retrenchment of about 500 workers, while about 600 were involved at Doornfontein. At Stilfontein the NUM was negotiating a retrenchment package which would see about 3,000 jobs being phased out by the end of the year.

The NUM and management at Harmony gold mine near Virginia signed a "satisfactory" retrenchment deal in March, Sewnarain said.

The agreement includes one month ex gratia payment, one month notice pay and two weeks severance pay for every completed year of service.

The number of workers to be retrenched had been reduced from 9,000 to 4,500 by implementing an extended leave scheme, Sewnarain said. In terms of the scheme, employees are required to take three months unpaid leave in each 12-month working cycle.

In addition, management agreed to establish a R1m retraining fund. Rand Mines spokesman were unavailable for comment.

At Eskom, the union has also negotiated a lump sum to deal with job creation schemes for workers.

Sewnarin stressed the NUM could not provide a long-term solution to the issue of retrenchments. While it could intervene and make a contribution in areas such as retraining, broader political intervention was required to address the issue.
Venterdorp council fires 75 black workers

VENTERSDORP — Some 75 black municipal workers — a few with up to 18 years’ service — were fired by the Ventersdorp Town Council last week, according to Eric Ngeleza, executive committee member of the advisory body Operation Massakhane for the Homeless. Sow 2-3-79

Mr Ngeleza said 16 of the workers had been rehired, although they were being treated as new workers, thus losing any salary increases and pension and other benefits they might have had.

No one was available for comment at the Ventersdorp Town Council.

Ventersdorp in the western Transvaal, and the adjoining black township of Tshing, have been in a state of armed preparedness since an attack two weeks ago by rightwingers on the Goedgevonden squatters camp.

In retaliation for the attack, Tshing residents organised a three-day work stayaway.

Mr Ngeleza said the council had apparently only been aware of a call for a two-day stayaway, and workers who had remained at home for the extra day had been fired last Thursday. — Sapa.
NEWS IN BRIEF

Road freight down
THE road freight industry has made a slow start to the year with reduced tonnages carried in January this year reflecting the extent of the economic slowdown.

Central Statistical Service figures released yesterday showed a 14% drop in the total tonnage of goods carried by public transporters during January 1991 to 29.3 million (34.1-millions) tons.

However, with the average tariff a ton increasing from R10.4 to R11.47, total transport earnings were boosted 20% to R387m in January 1991 compared to R272m in January last year.

Council workers fired
SEVENTY-FIVE black municipal workers - some with up to 25 years' service - were fired by the Venterdorp Town Council last week, said Operation Masakhane for the Homeless executive committee member Eric Ngeleza.

Legal advice had been taken on the matter. He said 16 of the workers had been rehired, although they were being treated as new workers, thus losing pensions and benefits.

UK's GDP shows drop
BRITAIN'S gross domestic product (GDP) fell 0.6% between the last quarter of 1990 and the first quarter of 1991, figures released in London yesterday by the Central Statistical Office said.

The decline was less than the last two quarterly drops of 1.5% and 0.8% respectively. Compared with the first quarter of 1990, the British economy has contracted by 2.5%.

Rise in German GNP
WESTERN Germany’s gross national product (GNP) grew between 3% and 4% in price-adjusted terms during the first quarter of 1991, the Economics Ministry reported in Bonn yesterday, while in eastern Germany the downward development of overall economic activity hasn’t yet reached its low point.

Further talks to follow summit

President F W de Klerk said last night he envisaged follow-up meetings after this weekend’s summit on violence which is expected to be boycotted by most extra-parliamentary groups.

De Klerk said in a statement the summit was never intended to be “a final discussion during which final solutions had to be found”.

His statement confirmed expectations that government would be willing to become involved in meetings after the summit.

“It is and remains an important step in the process of consultation. The road ahead will be discussed in depth and the contributions of all involved are needed,” De Klerk said.

“If there are political groupings that have decided against attending the conference on political grounds or because of the question of traditional weapons, they will have to bear the responsibility for their non-participation in a peace meeting intended to deal with the problem of violence in a solution-oriented manner,” De Klerk said.

Patrick Bulger reports that Afrikaner Weerstands beweging (AWB) leader Eugene Terre-Blanche said on Tuesday he would attend De Klerk's summit.

Right-wing sources yesterday expressed amazement at Terre-Blanche’s decision to attend which, they said, was out of step with the refusal by other conservative groups, including the CP, to attend.

The Civic Association of Southern Transvaal (Casts) confirmed yesterday they were joining the ANC in not attending.

Meanwhile the SA Council of Churches (SACC) yesterday formally pulled out of the summit but remained optimistic that behind-the-scenes moves to get political parties involved in a peace process would succeed. SACC general secretary Frank Chikane said.

Addressing a news conference in Johannesburg, Chikane said religious leaders who met on Tuesday to draw up proposals for getting peace talks back on track had found that they could not attend the summit.

Religious leaders are convinced that the problems of violence are of such magnitude that they cannot be resolved without the participation of all the parties and organisations involved,” Chikane said.

He said it was now too late for De Klerk's summit to be redefined so as to attract wider participation.

Billy Paddock reports the DP yesterday unveiled short-term proposals to be submitted to the summit. These included setting up a national network of township peace task groups representing all political movements.

Standard Chartered boss on 'return to SA'

Harare - After enjoying complete independence since 1986, Standard Bank SA might not want to reunite with its former UK parent, Standard Chartered, when the political situation was resolved, Standard Chartered chairman Rodney Galpin said yesterday.

The Standard Chartered board is having a monthly meeting in Zimbabwe, only the second time the bank’s board session has been held outside London. It met in Hong Kong last year, reports Sapa-Reuters.


Michael Hartnack

Galpin said the political situation in SA now was "promising hopefuls of renewed co-operation."

"I dare say that after the complete independence they have had since then may well not want us back," said Galpin.

"If it looks right from the point of view of our business in the rest of Africa to have some sort of presence in SA, then I think we could probably do it, but I think at the right time," he said.
Cutbacks force Plessey retrenchments

ELECTRONICS company Plessey was forced to retrench 53 workers at its Cape Town factory yesterday because of spending cuts by its major customers, the Post Office and the military, financial director John van Zyl said yesterday.

He denied industry rumours that Plessey SA was being assimilated into Siemens, whose European parent company, along with GEC (UK), took over Plessey's European parent company two years ago.

Siemens (Germany) now owns 37% of Plessey SA and 22% of Siemens (SA).

Van Zyl said the two local subsidiaries were independent competitors despite their common European parent.

The company was scaling down its operations because of SA's weak economy, not because of plans to merge with Siemens.

About 230 Plessey workers downed tools on Tuesday because of the company's plan to axe 68 jobs. The company retrenched 53 people after 15 accepted early retirement.
Venterdorp fires council workers

SEVENTY-five black municipal workers - some with up to 18 years’ service - have been fired by the Venterdorp Town Council.

This is according to Mr Eric Ngeleza, executive committee member of the advisory body Operation Masakhane for the Homeless.

In a telephone interview with Sapa Ngeleza said 16 of the workers had been rehired, although they were being treated as new workers, thus losing any salary increases and pension and other benefits they might have had.

**Attack**

No one was available for comment at the Venterdorp town council.

Venterdorp in the Western Transvaal, and the adjoining black township of Tshing, have been in a state of armed preparedness since an attack two weeks ago by rightwingers on the Goedgevonden squatters camp.

In retaliation for the attack Tshing residents organised a three-day work stayaway in Venterdorp.

**Earnings**

Ngeleza said the council had apparently only been aware of a call for a two-day stayaway, and workers who had remained at home for the extra day had been fired on Thursday last week.

The average earnings of the workers, before they had been fired, had been R180 a month, he said.

An appeal would be made to Operation Hunger to alleviate the plight of the 59 workers - all of whom were breadwinners for their families - who had not been reemployed by the council.

Ngeleza said legal advice had been taken on the matter.

He added the stayaway had only been suspended, and depending on the Venterdorp council’s reaction concerning the fired workers, could be reimposed. - Sapa
‘Rapid growth in unemployment’

ABOUT 4.6-million people — more than 40% of SA’s economically active population — were not employed in the formal sector, Japie Jacobs, special adviser to the Finance Minister, said yesterday.

Addressing a Johannesburg seminar on wage restraint, Jacobs said there was no doubt that unemployment was increasing.

Another speaker, SA Clothing and Textile Workers’ Union general secretary John Copelyn, said Cosatu estimated the formal sector was shedding jobs at the rate of 1 300 a day.

Jacobs said that growing unemployment was due to the “relatively poor performance” of the economy in recent years and to the fact that SA’s economically active population was increasing at a rate of 2.6% per year.

The 4.6-million people were either unemployed or worked in subsistence farming or the informal sector.

Jacobs said SA, excluding the TRVC states, had an economically active population of 11.2-million.

Jacobs said no one was advocating a low-wage policy for the economy to encourage greater employment and growth.

But higher wages could be soundly based only if they were supported by higher productivity for both capital and labour.

Copelyn argued that economic growth had to be tied to an increase in workers’ real wages.

He said there was an urgent need to focus on the question of “social contracts”.

At a national level, employers and organised labour needed to negotiate a set of values and policies to achieve economic growth and raise real wages.

He said there had to be a move away from present practices designed to stimulate the economy, including government’s decentralisation policy, deregulation and “the obsession with unilateralism”.

Also, the trade union movement needed to be included in planning the development of the economy.
BACK TO NO JOBS

Returning exiles could make unemployment worse. Prof Frank Horwitz, of the UCT Business School and a member of the Institute of Personnel Management’s Industrial Relations Committee, discusses the problem in the IPM Journal.

In little more than one year, the term “returning political exiles” has almost fallen into disuse in Namibia. Much progress has been made in absorbing returnees into society and placing them in jobs.

But the challenge in SA is not an easy one. The number of returnees is potentially large, and the economy is in any case in recession, with more retrenchments looming in several sectors. Employers are not replacing leavers, and returnees are finding it difficult to get jobs.

In many cases, qualifications and work experience require verification, especially those from Eastern European educational institutions, about which little is known in SA. Another difficulty is that other returnees have little school education and organisational experience. Despite the joyous reunions and expectations of a good job, many returnees are frustrated.

In addition to a psychological adjustment in returning to a country with a changing and uncertain environment, there are also potential problems of adjustment and acceptance in a new organisation. Whether or not job expectations are unrealistic, hopes are being dashed; and many are struggling to make ends meet, even with support from family and friends.

The employment of returnees is a vexing question for another reason. Beneath the veneer of a liberal policy there may well in certain instances be a distaste among managers for employing people perceived as “political activists.”

Given acrimonious relations with a trade union, some employers might well feel that there is an added risk in taking on a returnee. These perceptions, together with pressures on costs, have led to few returnees being employed, even in companies with good reputations in human resource management.

The prejudice is exacerbated by the tactical support of political groups contending for power and pressing for continued economic sanctions.

There is little pressure to employ returnees, other than the dictates of a liberal conscience. In some instances, specific knowledge and skills may be required by an employer. Contacts and networks established overseas by returnees may be helpful in enhancing the foreign interests of a company.

Should a company recruit people as supernumeraries, if no positions are presently available? Are there moral reasons for employing a returnee, before another applicant, if both meet the requirements for the job? Major sacrifices have also been made by people who did not go into exile. And what about retrenched people?

There are no simple answers. But business’s attitude towards political change and the people involved are important. A creative response is needed to demonstrate goodwill. Future economic and public policy can be affected by present responses to particular social issues. Given the businessman’s preference for a market economy, the integration of returnees into the workplace is in employers’ political interests in the long term.

Thought should be given to drawing up company guidelines for recruiting returnees. The emphasis should be on assessing potential. Some companies are already doing this and sending returnees on training and development programmes. Another way is to recruit on a fixed-term contract, during which ability and potential might be assessed. During this time a permanent vacancy might arise.

In Cape Town, a small group of human resources experts from various companies have formed a committee that explores employment prospects in the region, and tries to place returnees. This kind of group could be invaluable. Employer organisations and their industrial relations committees, and groups such as the Consultative Business Movement, can play more than a facilitative role in addressing the issue. Other ideas include providing part-time jobs, and short-term project work for those with specific skills and knowledge.

Returnee employment is not simply a question of creating a post or filling a vacancy. It is an intrinsic part of business’s contribution to the process of reconciliation.
Mossgas to retrench 13000

Weekend Argus Correspondent

Grahamstown. — Agreement has been reached over a retrenchment package for 13000 Mossgas project workers in Mossel Bay after negotiations with various unions representing the workers ended this week.

Separate agreements were reached between the civil engineering contractors and the mechanical, electrical and instrumentation (MEI) contractors with the various unions representing the workers in these sectors.

Mossgas said the main feature of the agreement with the MEI contractors was reached between the National Union of Metal Workers of South Africa (Numsa); the South African Boilermakers, Iron and Steel Workers, Shipbuilders and Welders Society and the South African Iron, Steel and Allied Industries Union.

**Need mandate**

The agreement included the payment of a project completion bonus based on an employee's period of service on the project; an undertaking by the contractors and the trade unions to assist in obtaining training opportunities for employees; a commitment to industrial peace for the duration of the project; and an undertaking that workers be retrenched on a last-in first-out basis (Lifo), subject to contractual obligations and the retention of special skills.

A Numsa organiser for Mossgas, who refused to be named, confirmed today that an agreement had been reached over the retrenchment of the workers.

He said he would need a mandate from the union to release details of the agreement.

Meanwhile civil engineering contractors and the Construction and Allied Workers Union (Cawu) agreed on a demobilisation procedure; retrenchment packages based on the period of service on the project; and that retrenchment criteria would be based on Lifo, subject to special skills experience.

Cawu could not be reached for comment.

The 13000 workers will be retrenched gradually from the second half of this year as the onshore Mossgas project nears completion.
Improved Mine Safety

ICI cites automation for

Ethyphen dioxide on caselle

News in Brief

Income tax return extension
Numsa seeks retraining

The National Union of Metalworkers has proposed that 13,000 workers facing retrenchment from the Mosesa project be trained to equip them for other jobs. Negotiations around the Numsa proposal continued this week between the contractors and unions in the mechanical sector of the project. The retrenchments are due to begin in June, and flow from the imminent completion of the project. Only 970 highly skilled employees will keep their jobs.

Numsa's Bimbo Mangashabana

24/5 —
27/5/91

The union had proposed a package including training to equip retrenched workers for jobs in the same industry; discussions on job creation with the contractors; job preference for local over foreign workers; an end to overtime; and a union pledge to maintain industrial peace "unless workers are provoked". "If no resolution has been reached by Thursday, the union will declare a dispute," Mangashabana said.
Cosatu to seek freezing of all retrenchments

COSATU will call for a moratorium on all retrenchments during upcoming national talks with employer body Saccola and government.

Information officer Neil Coleman said yesterday this was one of the concrete demands to emerge from Cosatu's economic policy conference last week.

In addition, Cosatu would demand employers support a national education and training system and house, school- and hospital-building job creation schemes.

The demands are expected to be made at national level talks with Saccola and the state towards the end of July.

Coleman said Cosatu would also demand that Saccola support calls for an interim government, a constituent assembly and an end to violence.

In addition, Cosatu said it would negotiate financial assistance from Saccola for a feasibility study into converting hostels to family accommodation.

Coleman stressed that the conference was only a step in the process of formulating an economic policy. This process would be completed at Cosatu's July congress.

He said that discussions with Saccola and government were likely to last between five and six weeks.

Proposals on an economic framework, skills training, company housing schemes, the future of hostels, worker control and industrial restructuring will be forwarded to Cosatu's July congress to enable the federation to adopt a long-term economic policy.

The conference also decided on mass marches on June 15 which would focus on Cosatu's campaign against retrenchments, for job creation and highlight various other demands.
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Cape wine giant to lay off staff?

By PIETER COETZEE
Financial Editor

ONE of South Africa’s wine giants, Stellenbosch Farmers Winery, confirmed yesterday that it was considering a major retrenchment and cost-cutting drive.

Chairman Mr Dave Marlow said this could also lead to the closing of some bottling lines.

He was reacting yesterday to market talk that workers had been retrenched at SFW, that its Oude Libertas Centre would be closed and that two bottling plants had been closed down.

Mr Marlow confirmed that the group was looking at how to be as cost-efficient as possible and was examining its internal structures.

He said nobody had been retrenched so far, but the group was in consultation with trade unions on how it could cut costs and streamline structures within the group.

Depending on the outcome of the talks, this could lead to retrenchments, he said. It was impossible to say how many people would be affected. No decision would be reached before the end of June.

Mr Marlow said the present economic circumstances demanded that each company examine its structures.

Regarding the Oude Libertas Centre, Mr Marlow said it was still operational. The theatre was closed for the winter season, as was usually the case, and would be reopened in summer.

The vinotech, catering facilities and Cape Wine Academy were fully operational and doing well, he said.
SFW will retrench over 300 employees

Staff Reporter

 STELLENBOSCH Farmers Winery (SFW) yesterday conceded that between 300 and 350 employees had already been earmarked for retrenchment in a drive to cut costs.

Chairman Mr Dave Marlow said yesterday that the employees — who had already been told they were "likely" to lose their jobs — held posts ranging from senior management to cleaners and waitresses.

On Wednesday Mr Marlow told the Cape Times that no one had yet been retrenched and that the group was only "consulting" on the issue.

After the Cape Times reported what he said, angry employees approached the newspaper and claimed that "hundreds" had already been told their retrenchments were "absolutely final" and that they would no longer have jobs by the end of next month.

Among those are believed to be top executives of long standing in the company.

Employees alleged that the Oude Libertas Centre would close and that staff at Plaisir de Merle, SFW's farm in the Franschhoek valley, and at the Nederburg Estate would also lose their jobs.

Mr Marlow said the centre would continue to function and that there would be "no significant change" to staff structures on the farms.

Retrenchment packages were expected to be finalised by the end of the week, he added.

SFW currently employs about 4,300 people throughout South Africa.
Local job market hits crisis proportions

Recession hits graduate job market

Temporary staff

Lita Roussou, president of the Association of Personnel Service Organisations which represents 535 firms, says many companies are restructuring and are far more choosy about the credentials and experience of candidates.

"There is no doubt that people are on the point of panicning, even in Cabinet circles. There is a real concern at the present state of affairs.""
Workseekers flocking to Cape

Scores of people from the Transvaal and Natal are trying to find employment in the Cape, thereby adding pressure to the already tight job market.

Personnel consultants say the upcountry job seekers appear to be attracted to the Cape because they believe it is a safe haven from political turmoil.

But the Cape Town Chamber of Commerce says although Cape Town's economy was doing marginally better than elsewhere, there were few jobs available.

Status personnel director Mr George Thomson said consultants were able to place about 10 out of 70 to 110 job seekers they interviewed each month.

People from Natal and the Transvaal on holiday in the city were spending their time trying to find employment.

"Upcountry people are saying the political climate in the Cape is more conducive to the development of a harmonious society."

"They feel the city has not had a serious apartheid situation for many years. Buses and beaches, for example, have been open for a long time."

"The transition to the new South Africa is perceived as being far less traumatic here," said Mr Thomson.

Besides people being drawn to Cape Town from the Transkei and Ciskei, dozens of letters from Eastern European job seekers arrived at agencies every day.

Mr Thomson said these people were advised that they were attempting to enter one of the "most difficult" job markets in the world.

Chamber of Commerce manpower manager Mr Charl Adams said there was little movement in the job market, particularly in higher income jobs.

"Generally speaking, the situation is not as bad as elsewhere. The Western Cape is also in a recession but we are handling the situation relatively well."

"Retrenchments are always on the increase in times of recession but organisations are preparing for an upswing and replacing employees."

"There is growth in the textile and export industries and there is activity at the harbour," he said.

Mr Thomson said competition for jobs was fierce and employers were becoming increasingly selective.

"Employers are expecting a lot for relatively low compensation and so they are throwing the net wider to find the ideal person," he said.

Many companies were placing advertisements for Cape Town jobs in newspapers on the Reef in an attempt to find people with good experience.

Mr Thomson said graduates leaving the three universities in the Western Cape were being forced to do "any other job" in order to be employed.
GUIDELINES STILL RELEVANT

Employers should not disregard retrenchment guidelines laid down by the courts in spite of the new unfair labour practice definition.

University of SA law professor Adolph Landman says: "We can expect the Industrial Court (IC) and the Labour Appeal Court (LAC) to continue applying the existing guidelines accompanied by a steady restatement and expansion of the applicable standards."

Writing in Labour Law Brief, Professor Landman reviews IC and LAC retrenchment cases.

They include retrenchment rulings about consultation with employees, fair selection, severance pay and instances where the company changes ownership.

Severance pay has been particularly controversial — the courts have ruled both ways on the obligation to pay.

But Professor Landman says international standards, the practice of SA employers "as well as the majority of cases support severance pay if a loss of security has been suffered".

SA Board for Personnel Practice committee member Ivan Latti says business should try to move to a non-retrenchment policy. Economic realities present difficulties but employers should regard the policy "as a challenge".

Mr Latti says resentment at the free-market system must be considered should large-scale lay-offs continue.
Airport workers strike over May Day firing

MORE than 3 000 Jan Smuts Airport workers affiliated to the South African Railways and Harbours Workers union (Sarwhu) downed tools on Wednesday.

The strikers demanded the immediate reinstatement of a colleague who was dismissed for being absent on Workers' Day.

Benjamin Nyashe was called by management to an inquiry on May 2 to explain why he was not at work on the first Workers' Day officially celebrated in South Africa.

The inquiry dismissed him allegedly because he did not ask for permission to be absent from work.

Nyashe is a member of Sarwhu and chairman of Cosatu's Thembisa branch.

Jan Smuts Airport manager Ivan le Roux confirmed Wednesday's work stoppage, but said only 600 workers were involved and "not 3 000 as reported".

Le Roux said Nyashe was "given a warning for once being absent from work without permission long before his May Day absence".
23 000 out
of work over
three months

GERALD HEILY

PRETORIA—About 23,000
employees lost their jobs in
SA’s mining, quarrying,
manufacturing, and con-
struction industries be-
tween last December and
the end of March this year,
Central Statistical Ser-
vice’s (CSS’s) latest em-
ployment report has found.

At the end of the four
months, 2,540,164 people
were employed in these
sectors, the report said.

In the mining and quar-
ying industry, employment
levels dropped by
10,903 to 650,946.

Job losses in the manu-
ufacturing industry totalled
8,300 between December
and March with 441,118
people keeping their jobs
by the end of that period.

During the same period
7,406 construction workers
lost their jobs reducing the
total number of employees
in that sector to 306,300.

Employment levels in
the electricity industry re-
mained static at 49,000.

Economists have warned
that layoffs in these major
sectors are likely to con-
tinue until the first half of
1987.
NSA Investments to fight on

EVERY possible action would be taken to oppose the R55m transaction which gave Fedlife the right to obtain control of Saambou, NSA Investments MD Hardie Joubert said yesterday.

Joubert was reacting to the failure yesterday of an urgent court application by NSA Investments and associated company CC Exchange challenging the validity of the agreement between Fedlife and Saambou. NSA Investments and CC Exchange are both Saambou shareholders.

Both are also associated to insurance brokers Presta.

Mr Justice Zulman yesterday dismissed with costs their application to have the Fedlife agreement declared null and void and unenforceable.

Joubert said NSA Investments was still opposed to the transaction and the court case was only one of the steps taken to fight it.

"We are convinced the transaction is detrimental to the shareholders," he said.

"It is in the interests of the small shareholders that we continue opposing the transaction," he said.

Presta chairman-He Erasmus said he was willing to co-operate with Fedlife and Saambou management to find ways in which the best interests of small shareholders, Saambou and its personnel could be served.

NSA Investment's attorney Henry Vorster said the court had not given Fedlife carte blanche to convert their debentures into shares.

"It appears that the deal will need to be restructured and resubmitted to Saambou's shareholders for approval, should Saambou and Fedlife wish to continue with the transaction," he said.

Vorster said the judgment would first be studied before NSA Investments decided what further steps could be taken.

Joubert said Saambou and Fedlife's actions would be carefully monitored, and that he was satisfied he had assisted in guarding the minorities' interests.

Not too late to claim on exports — tax man

GILIAN HAYNE

TIME is running out for exporters wanting to claim tax deductions on money spent marketing exports, but it is not too late for some benefits to be gained, Ernst & Young tax partner Raoul Kaplan says.

Claims under section 11bis of the Income Tax Act will be discontinued on March 31, 1992, although expenditure unclaimed at that date — because of turnover limitations — can be carried forward and claimed against the exporter's turnover in the years to March 31, 1993.

The allowance, which is to be discontinued partly because of its use in tax avoidance, has been changed over time. The most recent change limited an exporter's claim to 30% of export turnover. The restriction applied to expenditure incurred after March 9, 1989, unless the exporter was contractually bound to incur the expenditure at that date.

However, there are ways to increase the deduction while section 11bis is around, Kaplan says.

The export marketing allowance is available to exporters of goods and to the export service industry. This means that where exporters conduct their export business through an agent, the agent and the exporter qualify for the section 11bis deduction.

"The agent can be within the same group but in order to ensure the Receiver identifies it as an arm's length transaction, the agent should also carry out exports for other exporters outside the group," Kaplan warns.

Expenditure on advertising in an export country is also deductible in terms of section 11bis.

Kaplan says: "It is therefore possible to claim a double deduction in respect of expenditure on sponsoring sports or cultural events in an export country and in doing finance the sponsorship through the equivalent tax saving, whilst receiving very good exposure."

Once section 11bis has been discontinued exporters will be able to get help through "primary export market research assistance."
A few sober suggestions
for unemployed activists

As a result of the funding drought that has hit progressive organisations in recent months, many dedicated activists are finding that De Klerk's New South Africa promises nothing but unemployment.

And they are learning most painfully that 10 or more years of experience in taking minutes, causacising and crashing project vehicles counts for nothing in the viciously profit-oriented job market.

Those who don't have parents in Bishopscourt or research grants from the HSRC to keep them going are struggling to find something they can do that simultaneously pays the rent and keeps their consciences clear.

For these comrades we offer the following suggestions.

Get into the green industry.

Just because every supermarket king and industrial magnate is doing it, doesn't mean it's evil. On the contrary, going green is such a patently angelic thing to do that you can even make money in the process and nobody will condemn you (as long as you make sure your new luxury Italian sports car has a catalytic converter to cut down on air pollution).

But there's no need to turn big business for a job in this field. There are enough people already making ozone-friendly deodorants and biodegradable jaccuzis. You can even keep your links with the liberation movement by, for example:

- Starting a project to recycle struggle T-shirts. The very old and faded ones ("UDF unites, apartheid divides") can be cut up and reconstructed as patchwork pyjamas; the more recent models ("Free Mandela", "Winnie for President") can be overprinted with new slogans, such as "Free the PE Dolphins", or "Swop Winnie for Madonna".
- Starting a campaign against cutting down the forests to make paper for political pamphlets.
- Initiating a research project on the relationship between cigarette smoke and inefficiency in democratic organisations.

Funding possibilities: any European Green Party.

Start a middle-class community project.

The middle class has been totally ignored in recent years as a target for conscientising and development work. Yet its needs are enormous — the incidence of nervous breakdown is higher in this social class than in any other.

Virtues

And it has two major virtues which are absent in the working class: it arrives on time for meetings and pays its fees/subscriptions/tea money.

From the point of view of the activist, the middle class is a good target for his or her ministrations. It will treat you like the hairdresser, the interior decorator or the garage owner, complaining like hell about what you charge but paying anyway.

The upper middle class also won't mind if you don't dress very well (mismatched socks and dirty denim jackets being some indicator of creative genius in its eyes), although the nouveau riche (those who have just been able to buy their first pair of pink velvet curtains for the lounge) may prefer you to look humble and clean.

Avoid wearing your "Eat the Rich" badge, if possible. What sort of community projects are appropriate for this audience?

Well, as you've been telling your working-class audience for years, the middle class does not need to fight for the right to have meat in its stew or hot water in its bath.

Intangible

Its needs are more subtle, more intangible — you'd probably be on target if you called your project something like Therapy for Democracy.

Under such a label you could do any of the following:
- Start encounter groups for madams and maids, where they can express their feelings without inhibition. If the madams find this difficult, you can leave out the maids.
- Develop a programme of psychodrama for use in management-worker conflicts.

Whatever you charge for this service will be less than lawyers' fees.

Get the Department of National Health to sponsor you to run art therapy workshops for key South African leaders.

Imagine how the quality of the political process would change if Pak, Gatski, Alar, Allan, and other power mongers had to spend an hour every day with a box of crayons and a sheet of newsprint.

Funding possibilities: IDASA, the middle class.

Address the needs of black yuppies.

Black yuppies are still black under their after-shave and purple lipstick, so they still don't have the vote, so they're still oppressed, so you can work for them and still feel like you're in the struggle.

They have many of the advantages of the middle class, except that they will expect you to wear respectable clothes and have a flashy haircut.

The major need of black yuppies is to combine their traditional values (sorghum beer, cultural weapons, eating meat five times a day) with the lifestyle of a Clifton millionaire.

The best way to help them would probably be for you to write a TV show in which a black yuppy family buys a Clifton penthouse and integrates into the neighbourhood by swopping from meat to smoked salmon, sorghum beer to Dom Perignon and cultural weapons to blackjack.

Lifestyles

Since black yuppies learn everything about how to live from copying the lifestyles of TV characters, you could reach a massive community while earning a respectable TV scriptwriter's wage.

Funding possibilities: SATV, MNet.

After two weeks in any of these jobs, you'll be asking yourself how you ever hoped to change the world by dropping 100 badly-typed pamphlets into the laps of 100 illiterate workers.

If you exploit all the opportunities open to you in the New South Africa, you'll be grateful for the visionary ruthlessness of the international anti-apartheid forces who have put you out of a job.
Unions blamed for poor job scope

From SVEN LUNSCHE

JOHANNESBURG. — As the economy emerges from its longest post-War recession, there is little scope for higher employment, in spite of prospects of substantially higher investment spending by manufacturing companies.

And private sector economists are putting the blame firmly at the door of the trade union movement, "which has out priced its members in the labour market".

In its monthly Survey of Confidence Levels in the Manufacturing Industry, the South African Chamber of Business reported yesterday that many industrialists planned to invest substantially in building new capacity over the next 12 months.

According to Sacob, new investment in the form of capital expenditure on new capacity is forecast to rise by just under 20 percent during this period.

However, this is not going to be accompanied by job creation, as has been the norm in recent investment booms.

Instead, employment of skilled and unskilled labour is expected to fall further from its current dismal levels.

Industrialists polled by Sacob said there was little prospect of new opportunities for skilled manpower, and still less in the case of unskilled workers.

According to the index, employment of unskilled labour in the manufacturing industry will fall by roughly 5 percent over the next 12 months on top of an 8 percent drop so far this year.

Dr Ariovich, economic consultant to Sacob, says unions have to take their share of the blame for the expected retrenchments.

"The unions have managed to increase wages and salaries of members beyond their productivity."

"The price of unskilled manpower has become too high for many industrialists, particularly since retrenchments always accelerate in times of depressed economic conditions," Dr Ariovich says.

He adds, however, that local industrialists tend to follow international trends, which over the past decade have favoured capital investments in new technology.

Furthermore, there is some lag time between new investment and employment creation. Dr Ariovich says.

In spite of forecasts of a general upswing in industry, the extent of such a recovery will depend mainly on the sector in which companies operate.

Sacob says manufacturing companies, which supply essential goods to consumers, have enjoyed strong activity even in the current recession, as is reflected in strong sales and production levels so far this year.

"On the other hand, many local industries producing investment and intermediate goods, have been facing tougher local markets for some time."

On balance, though, says Sacob chief economist Dr Ben van Rensburg, the economic outlook seems to have stabilised, which was reflected in May in a percentage point rise in the Business Confidence Index.

"The slight increase in the BCI could be the first sign of buoyancy returning to the economy after the drawn-out recession."

"Nevertheless, this promising sign might yet be turned into a false start, especially by the number of remaining uncertainties that influence business confidence, particularly the threat political violence holds for the transformation process," Dr van Rensburg cautions.
Little prospect of more jobs in economic upturn

By Sven Lünsche

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"Nevertheless, this promising sign may yet be turned into a false start, especially by the number of remaining uncertainties which influence business confidence, particularly the threat political violence holds, for the transformation process," Dr van Rensburg cautions.
Tokoza council slashes work force

By Abel Mabane
East Rand Bureau

The Tokoza Town Council — virtually bankrupt because of the rent boycott — has retrenched 37 percent of its employees, and is considering further cuts. Tokoza administrator Gert Muller said yesterday.

The council owed the Rand Water Board R320 000 for April and May's water, and had no money for its June bill.

Mr Muller said the rent boycott showed no sign of ending.
THOUSANDS of members of the National Union of Metalworkers of South Africa yesterday staged lunch-hour demonstrations countrywide.

The protests were aimed at attempting to force management to halt looming retrenchments at various plants.

The demonstrations and marches at various city centres were also part

Nunana and the Steel and Engineering Industries Federation of South Africa, which represents the employers, have been locked in wage negotiations since the beginning of the year.

Another round of talks between the two parties was held yesterday morning, but no progress was made.

Instead, Seifsa has now declared a dispute with the same trade unions which have rejected its wage, a move that would enable employers to consider lockouts if settlement is not reached.

"The parties then discussed various options open to them in terms of the dispute resolution procedures and mutually agreed to refer the matter for mediation," said Seifsa in a statement.
Boycott causes retrenchments

JOHANNESBURG: Thokoza town council on the East Rand has retrenched 37% of its employees because of bankruptcy caused by the continuing rent and services boycott in the township.

The administrator for the town council, Mr. Gert Muller, said yesterday that the crisis could force further retrenchments. — Sapa
ANC plea to business to create more jobs

JOHANNESBURG - The ANC has called on the government and employers to prevent retrenchments and create jobs, in a memorandum addressed to President F W De Klerk.

The ANC, Cosatu and the SA Communist Party also announced plans for marches countrywide under the slogan of "peace, freedom, jobs" on June 15, at a press conference on Tuesday.

The main marches will take place in Johannesburg, Pretoria, Durban and Cape Town.

The memorandum said thousands of workers were losing their jobs and millions, especially among the youth, were unemployed. Some estimates were that 200,000 workers could lose jobs this year and that there were seven million people unemployed.

Political solutions would be meaningless unless the economic crisis, which was the cause of job loss and lack of jobs, was addressed.

"We believe it is the responsibility of both the government and employers to prevent retrenchments and create jobs," the memorandum said.

"We demand a moratorium on retrenchments. Privatisation, commercialisation and rationalisation must stop.

Workers should be retrained instead of being retrenched. The government should not adopt policies that led to massive job loss. Job-creation schemes should be set up by employers and the state, in negotiations with unions and other organisations, the memorandum added. - Reuter
Atlantis businessman ‘incensed’ over remarks against factory owners

BY JACQUELYN SWARTZ
Staff Reporter

UNEMPLOYMENT in Atlantis is caused partly by absenteeism which forces factories to close, claims a businessman with a personnel agency here.

Mr. Gordon Perrins was “incensed” by recent claims by Atlantis residents that “unscrupulous” factory owners were a primary cause of social and economic problems in the town.

They accused industrialists of taking advantage of decentralisation subsidies and closing down as soon as they made a profit.

“There have been some unscrupulous businessmen in Atlantis who have moved out after making a profit but you can’t blame the good industrialists,” said Mr. Perrins.

Many companies in Atlantis were “bending over backwards” for their workers, sending them on training programmes, providing inflated salaries and even paying up to R200 a month more to locals than to workers from outside. Many specified that they preferred local residents, he said.

These “good guys” were, however, being driven out of the area by several factors, one of them absenteeism.

“One company experiences between 10 and 15 percent absenteeism every day.

“A lot of damage is being done by a section of the people. We have spoken to workers about it who say they earn enough in four days, so why work five.”

Sanctions and unreasonable union demands, which he described as politically-motivated, also forced many companies to close or move, he said.

Unemployment and poverty is rampant in Atlantis: water and electricity arrears exceed R3 million and there have been many evictions.

Mr. Perrins said housing was extremely affordable in Atlantis and there were many people who simply refused to pay rent, although they could.

“There are some very talented and hardworking people out there, but there is also this offbeat crowd who are chancers.”

He suggested that a way of solving the problems of the area would be through the informal sector.

A communal clean-up and affordable recreation would also help to lift spirits in the depressed community, he said.

The ANC is in the process of holding exploratory talks with the HSC and industrialists in Atlantis. An end to evictions and an improved standard of work and wages was promised after the first meeting.
Financial sector manages to keep job levels steady

PRETORIA. — Financial institutions are probably the only private sector area where employment levels have been maintained or even increased marginally in the past 12 months, the latest Central Statistical Service (CSS) reports states.

In most other areas lay-offs have quickened over the past year and economists say unemployment is still growing.

CSS figures show that at the end of March this year workers in building societies increased by four to 23 019 compared with March last year, and in insurance companies by 1 149 to 66 741.

There was a slight decrease in the staff of banking institutions which employed 95 455 people. The number employed in the whole sector rose by 134 to 183 306 in the year to end-March.

Vacancies in building societies at the end of the March totalled 68, in banking institutions 270 and in insurance companies 325.

The public sector continues to show significant increases in employment. At the end of last year there were 1 663m workers in this sector — an increase of 4 874 compared with December 1988.

Other CSS figures reflect job losses in major sectors of the economy. In the four months to end-March, nearly 10 000 people lost their jobs in mining and quarrying, 8 300 lost their jobs in the manufacturing industry and 7 400 lost their jobs in construction.

Manpower Department figures show that at the end of March there were 21 712 registered white unemployed, 24 129 coloureds, 8 281 Indians and 750 000 blacks.

Economists emphasise that the figures present an unrealistic picture of the seriousness of unemployment which, with under-employed workers, has been put conservatively at between 2.5m and 3m.

Oil prices edge up

LONDON. — Oil prices edged up slightly yesterday after several days of falling levels, traders said.

July futures for international benchmark Brent Blend crude traded in late business in London $0.6 higher at $12.07 a barrel.

Traders saw rise as a temporary technical correction with the market tone still remaining weak as a result of ample supplies.

"It's a short-term bounce," one European oil trader said.

"I'm still expecting a big shake-out to the downside." — Sapa-Reuters
AFRIKAANER Weerstandsbeweging leader Eugene TerreBlanche yesterday threatened to have all blacks employed by rightwingers sacked unless the Government and the ANC acceded to his organisation's demands.

Mr TerreBlanche told a news conference in Pretoria the AWB would approach all rightwing labour unions and organisations to sack "millions" of black people in one day, unless the Government agreed to listen to rightwingers' land demands and the ANC removed squatters from around towns.

**Boycott**

White pensioners and bankrupted farmers would be given the vacated jobs, he said.

Asked how whites could fill the "millions" of vacancies, Mr TerreBlanche said white had proven over and over they can perform more work than blacks.

Mr TerreBlanche said unless the Government and the ANC responded, "immediately" — the latter by also ceasing its mass action, boycott and stayaway campaigns — the dismissals would take place "before the next harvest".

He explained that farm workers could be politicised to strike during the critical harvest phase. The Government and the ANC should recognise the security implications of the threatened action, Mr TerreBlanche said.

He had already spoken to rightwing union leaders.

Mr Andries Kriel, of the Blanke Mynwerkersunie, said Mr TerreBlanche, to whom he referred as "my leader", had his support.

Mr TerreBlanche said he would also approach the Conservative Party and all rightwing organisations, and he did not doubt they would support the action.

The AWB leader said it would be perfectly feasible to run farms without black labour. He employed only one black on his farm.

Stormvallke general, Pieter van Rooyen of Koster, repudiated his uniform with red epaulettes, said he had devised a system of holding of farming without any black labour.

**Destroy**

Mr TerreBlanche said he did not fear he would "destroy the country by trying to save it".

He said: "If I give my country to the communists all of us will be unemployed or become part of the international communist system, then we will all go down the drain."

He refused to discuss the Goedgevonden situation. — Sapa
The whites who found a welcome in Soweto

WHEN Alan went to live in Soweto, he was such a rarity some blacks could not believe the township had a white resident.

Alan (33), a former miner, said he came to the township eight months ago because he could not find a job in Johannesburg. He quite likes his new life working for garage boss Za Kuhleka in Meadowlands.

But crime is a problem. He would rather live in Johannesburg. “The living conditions are better. You’ve got security there,” he said. “But what can you do? Half a loaf is better than nothing. Unemployment plays a definite role in being here.”

Alan asked that his family name should not be published. He wanted to avoid reprisals against his parents by white right-wingers.

He thinks more unemployed whites would settle in townships to work for blacks if only they could conquer their racial fears. He was made to feel welcome in Soweto. His boss said: “He’s a good worker. We like him.”

Alan, an unkempt, lanky figure, says he has become fascinated by tribal dancing and herbal healing. A single man, he drinks in shebeens and says he doesn’t care whether his future wife is white or black.

He speaks a township dialect of mixed Zulu, Sotho, English and Afrikaans learnt in years on the mines and as a cook. He has taken the name Juluka Khumalo.

He earns R140 a week and lives in a bleak 4-sq m room in a building firm’s ramshackle offices; rented for R60 a month. There is no heater and he uses an outdoor communal toilet. Workers store picks and shovels in a corner of the room.

Over in Dobsonville section, Afrikaans builder Doep du Plessis has also become one of Soweto’s whites.

A stocky figure in boots and shorts, Doep has been working for contractor Jacob Tsatsiimpe for more than a year because, like Alan, he could not find work elsewhere. He brought his wife and two children to live in the township.

Mr Tsatsiimpe said his family has taken Deep du Plessis to their hearts. “He’s like my son now,” said Mr Tsatsiimpe’s mother.

“I’ve got a lot of friends here, a lot of honest friends,” said Mr du Plessis. — Sapa-Reuters.
LONDON — Next week South Africa may be shown some innovative ways to solve unemployment — a growing and worrying problem for the country as it moves cautiously towards an uncertain future.

When UK Small Business Minister Eric Forth arrives on Monday for a five-day visit, he is expected to bring with him some encouraging statistics and a clear picture of the way to create jobs.

**Worrying spectre**

In Britain, as in South Africa, unemployment has become a persistent and worrying spectre in recent years. In Britain it forced the Conservative Party government to devise a number of creative, and sometimes controversial, ways to slash the figures.

Regular redefinition of what constituted unemployment was perhaps the one that caused the biggest fuss: the development of a flourishing programme to encourage small businesses has been one of its most adventurous and successful.

Some 96 per cent of all businesses in Britain are small firms by definition, employing fewer than 20 people. Between 1988 and 1989 small firms created more than 500,000 jobs, compared with larger firms which created just 20,000.

"It is no exaggeration to say that small firms are the engine of our economy," says Secretary of State for Employment Michael Howard. "They are characterised by a remarkable flexibility and adaptability and it is significant that, despite the difficult trading conditions of the past year, the number of small firms has continued to grow."

The Department of Employment admits that the reasons for these changes are complex and the result of many interrelated developments. General economic growth, changes in economic structures, increased sub-contracting by larger firms and growth in services and technological developments have all been credited.

But Government policies and action have played a significant part.

**Weekly allowances**

A key part of its strategy to date has been the work of the Training and Enterprise Councils and the Local Enterprise Companies in Scotland — launched by Mrs Thatcher in 1989 — which offer a range of training programmes and services.

Allied to these are the Government's Enterprise Allowance Scheme, which pays new small businessmen a weekly allowance during their early months of trading, a loan guarantee scheme to help people who would otherwise have difficulty in raising finance, and the Small Firms Service which handles inquiries.

Speaking at a small firms conference in London last week, Mr Howard outlined further policy developments.

These included new strategies to help people start up, greater coherence in the advice and support groups for the small firms sector, improvement in the accessibility to finance for small firms wishing to expand, new ways that owner-managers can be supported, and a programme to help small businesses invest in people.

"Although this is a formidable challenge, we must accept this is a battle we must win," he said.
AWB threat to fire 'millions' of blacks

AFRIKANER Weerstandsbeweging leader (AWB) Eugene Terre'Blanche has threatened to have all blacks employed by rightwingers sacked unless the government and the ANC accede to his organisation's demands.

Terre'Blanche told a news conference that in Pretoria the AWB would approach all rightwing labour unions and organisations to sack "millions" of blacks in one day, unless the government agreed to listen to rightwingers' land demands, and the ANC removed squatters around towns.

Unless the ANC "immediately" stopped its mass action, boycott and stayaway campaigns, the dismissals would take place "before the next harvest," he said.

White pensioners and bankrupt farmers would be given the vacated jobs, he said.

Asked how whites could fill the "millions" of vacancies, Terre'Blanche said: "Whites had proven over and over they can perform more work than blacks."

It would be perfectly feasible to run farms without black labour. He employed only one black person on his farm, he said.

Terre'Blanche said he did not fear he would "destroy the country by trying to save it".

"If I give my country to the communists all of us will be unemployed," he added.

Meanwhile, the ANC's Saki Macozoma has dared the AWB to carry out its threats. Macozoma said the AWB leader was overestimating its power.

"Let him try it," Macozoma said.

He warned the AWB leader that the majority of consumers in the country were black, and could use that status as a weapon.
A way out of the jobless morass

9-BY 6-INCH COLUMNS. Black Duplo.

Stevenson, Richard. 1/6/19.
800 jobs lost as bank pulls out of management buy-out plan

By TOM HOOD, Business Editor

ABOUT 800 jobs will be lost with the closure of the country's largest conventional wholesalers, Frasers, Greenstein and Roxon.

Plans for a management buyout of Frasers have collapsed as a result of a bank deciding it will no longer finance the takeover.

Negotiations for a management buyout at Frasers have been going on for some months.

Mr Gordon Utian, deputy chief executive of Premier, said strenuous efforts went into avoiding the closure of Frasers and the loss of employment.

But after a "due diligence" exercise into Frasers, First National Bank had decided against funding the acquisition.

"We tried to accommodate the prospective buyers as much as possible in the hope of protecting about 800 jobs. It is very disappointing that the financial institution concerned has taken this course of action.

The decision to close Frasers had been taken by the previous management of Metro Group prior to Premier's recent takeover of Metro.

During the "due diligence" investigation of Metro by Premier prior to acquiring 70 percent of Tradegro's interests in Metro, Premier found that R370 million would have to be written off, R80 million of which arose from the proposed sale of Frasers to the management consortium.

Mr Utian said while the costs of closure would equal those accounted for as a result of the aborted disposal, Metro was not expected to incur any further losses.
Three to 40,000 Jobs

More mine closures

By Sean Lynch
40 000 are facing unemployment

More gold mines, jobs under threat

MORE gold mines might be forced to close and there was every possibility that 40 000 more jobs would be lost by the end of the year, outgoing Chamber of Mines president Clive Knobs said yesterday.

Knobs said the "period of misfortune" which had led to recent retrenchments was far from over. About 50 000 jobs have been lost in the past year.

Speaking at the chamber's AGM, Knobs said the closure of the 10 gold mines that reported working losses in 1990 — while unlikely in the immediate future — would have an alarming impact on the economy.

Those mines produced 90 tons of gold worth R2.6bn in 1990 (4.2% of SA's earnings from gold and merchandise exports in the year). Their closure would "mean SA's GDP would contract by R5.3bn and 98,000 jobs would be lost in mining and a further 48 000 in service or mining-related industries. Further job losses, he said, would swell a level of national unemployment that already exceeded the bounds of acceptability."

Last year was one of the most critical in the history of SA's gold-mining industry, with chamber mines' pre-tax profits falling R1.2bn to R4.2bn and tax down 42%. A 6% drop in capital expenditure and a 32% drop in dividends were also reported.

More optimistically, Knobs said corrective measures adopted to ensure the continuing operation of mines had met with some success.

Working costs per kilogram of gold produced had increased by only 10.3% in 1990 thanks to stringent remedial actions. These included the suspension of operations in unprofitable workplaces, an improvement in productivity and emphasis on higher grade areas. The average grade rose to 5.65g/t in 1990 from 4.59g/t in 1989.

The gold-mining industry would inevitably contract further, but it would continue to play a dominant role in the economy, both as a major employer and foreign exchange earner.

Knobs said there were signs that global real interest rates were beginning to ease while jewellery demand continued to grow and there were indications that supplies of newly mined gold would start to fall with effect from 1991. "These events will not take place overnight, but when they do there will be an upward adjustment in the dollar price of gold, re-establishing the vigour and vitality of the SA gold mining industry."

The coal mining industry, he said, was going to be hard pressed to maintain satisfaction with the current levels of profitability unless there was a rapid increase in SA's growth rate or a significant reduction in the inflation rate.

There was a limit to which the industry could increase local prices to offset the effects of constantly rising working costs and short- to medium-term prospects for domestic market expansion were tenuous as they were "inextricably coupled to the state of the national economy."

Knobs warned that the extremely competitive nature of the international coal trading business had become even more testing with the emergence of low-cost suppliers like Colombia, Venezuela and Indonesia.

Taking advantage of changed international circumstances would not be easy because SA's access to some international markets had been rapidly and effectively exploited by competitive suppliers.
Allied staff cuts loom amid Absa streamlining

ALLIED is looking at retrenching staff members as it streamlines operations within the Absa group.

Sources said yesterday Allied would offer staff members a retrenchment package of three months' pay, as well as a half a month's pay for every year worked.

Allied MD Bob Aldworth said there had been no retrenchments yet.

"We are looking at the question of staff numbers and will then decide what to do."

He said natural attrition would occur as staff resigned or retired.

Union

But if this was not sufficient Allied would have to decide whether to retrench staff.

"If we do decide to retrench we will do it the proper way. The package offered to staff members will be negotiated with the union," he said.

The package offered would be in line with the one suggested by the sources because this was the "normal type of package negotiated with a union."

After the Absa formation the group's chief executive Piet Badenhorst was reported as saying staff need not fear massive retrenchments during the longer-term rationalisation process of the group.

SHARON WOOD

Former Allied Building Society MD Don Hunter had said in an interview after he resigned there would be no retrenchments at Absa and lower staff levels would be achieved by natural attrition.

In another Absa-related development, Volkskas substantially increased its market share when its Northrand corporate banking division acquired all Sage's banking interests earlier this month.

Volkskas will initially take over Sage Financial Service's cheque and corporate banking services.

Volkskas Corporate Banking regional manager Johan Nel says in the latest Volkskas News: "We spent months negotiating for the accounts but somehow just couldn't get them hooked."

"One of Sage's facilities at another bank recently expired and we had the opportunity to offer them a good financial package."

In addition, Volkskas will now handle the income accounts of the Mine Officials Pension Fund and the salaries account of the Mine Pension Funds Management Corp, which are both major shareholders in Absa.

The total assets of the Mine Officials Pension Fund amounted to more than R1bn in 1990.
Unemployment, not inflation S.A.'s main worry
HUGE numbers of job-seekers are being forced to find accommodation in the informal sector as the formal economy's ability to provide work continues to weaken.

Latest Central Statistical Service figures show full-time employment in the informal sector soared more than 20% to 892 000 from October 1989 to October 1990. Latest Development Bank of SA (DBSA) statistics show the formal sector's capacity to employ the emerging labour force has crumbled in the period 1985 to 1990.

Of the 366 000 people that enter the labour market annually, the formal sector has been able to employ only 35 000 or 9% a year over the five-year period.

This means the formal sector can employ fewer than 160 of the 1 000 people entering the labour market each day.

This compares with an absorption capacity of 7.8% in the period 1965 to 1970 and 21.9% from 1980 to 1985.

DBSA Centre for Policy Studies divisional manager Andre Ligtelme said employment in the informal sector should be regarded as a safety net. He pointed out that recent CSS surveys found that 80% of those in the informal sector were receiving a monthly income of less than R650 a month; below the bread-line.

An annual economic growth rate of about 7% was needed to absorb the yearly increase in the workforce of about 25%.

At present, for every 1% growth in the economy, a growth rate of only 0.4% was expected in employment. A twofold philosophy was necessary, he said.

"To create enough job opportunities, sufficient growth is needed — coupled with a change in the structure of the economy."

A change in capital spending programmes towards being more labour-intensive would contribute to this.

Government should take the lead in this regard and "send the right signals" to the private sector, he said.

Obviously, this should be done without jeopardising economic efficiency.

The CSS figures show that part-time informal sector employment actually fell by 5%. The figures canvass only blacks, coloureds and Asians, and do not include people living in squatter areas, although the figures could be affected by the results of the Census 1991 which included squatter areas.
Job-seekers find refuge in informal sector

OWN CORRESPONDENT
JOHANNESBURG — Huge numbers of job-seekers are being forced to find accommodation in the informal sector as the formal economy’s ability to provide work continues to weaken.

Latest Central Statistical Service figures show full-time employment in the informal sector soared more than 20% to 892,000 from October 1989 to October 1990.

Latest Development Bank of SA statistics show the formal sector’s capacity to employ the emerging labour force has crumbled in the period 1985 to 1990.

Of the 386,000 people that enter the labour market annually, the formal sector has been able to employ only 33,000 or 9% a year over the five-year period.

This means the formal sector can employer fewer than 100 of the 1,000 people entering the labour market every day.

This compares with an absorption capacity of 73.6% in the period 1965 to 1970 and 21.9% from 1980 to 1985.

DBSA Centre for Policy Studies divisional manager Andre Ligthelm said employment in the informal sector should be regarded as a safety net. He pointed out that recent CSS surveys found that 80% of those in the informal sector were receiving a monthly income of less than R650 a month, below the bread-line.

An annual economic growth rate of about 7% was needed to absorb the yearly increase in the workforce of about 2.8%.

At present, for every 1% growth in the economy, a growth rate of only 0.4% is expected in employment. A two-fold philosophy was necessary, he said.

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The figures canvass only blacks, coloureds and Indians, and do not include people living in squatter areas, though the figures could be affected by the results of Census 1991 which included squatter areas.
Surge of strikes over dismissals

As the economic downturn continues and large-scale unemployment and retrenchment loom, dismissals are being strongly contested, labour consultancy Andrew Levy and Associates says in its six-monthly strike report.

The consultancy says the number of strikes due to dismissals has increased dramatically. In the first half of last year, 1.7% of all strikes were due to dismissals. The figure rose to 14% in the first half of this year.

Aggressively.

The increase, combined with a hardening of attitudes on the part of employers over issues such as stayaways, has been accompanied by a noticeable increase in the level of employee militancy both in collective and individual situations, the report says.

Individual dismissals will be challenged far more aggressively in future, it says.

The call for centralised bargaining has become a strong campaign issue for many unions and was reflected in the SA Commercial, Catering and Allied Workers' Union (Saccawu) strike at Metropolitan Life which went on for nearly two months earlier this year.

Wages continue to be the main strike trigger (48.6%), followed by dismissal (14%), grievance and discipline (11.5%) and retrenchment and recognition (7.4%).

The most active unions in terms of man-days lost were Cosatu's National Education, Health and Allied Workers' Union (22.5%), Saccawu (14.7%) and the National Union of Metalworkers of SA (13%).

The consultancy also reports that strike action in the first half of the year dropped substantially.

About 375,000 man-days were lost in the first six months of the year, compared with 1.2-million for the same period in 1989.

This is less than the 463,864 man-days recorded in 1988 but up on the 229,614 in 1989.

With the economy in a prolonged recession and unemployment reaching alarming levels, unions are concerned about the job security of their members and less likely to resort to industrial action, the consultants' report says.

In addition, rapid changes on the political front have taken pressure off the trade union movement "as the standard bearer for political change".
Unions ‘fighting to keep jobs’

Own Correspondent

JOHANNESBURG. — Dismissals are being strongly contested as large-scale unemployment and retrenchment loom, Andrew Levy and Associates say in their six-monthly strike report.

The labour consultancy says the number of strikes called in response to dismissals has risen dramatically. In the first half of last year, 1.7% of all strikes were called over to dismissals. This year, the figure has risen to 14%.

The rise, combined with a hardening of employer attitudes, has been accompanied by greater employee militancy, the report says.

Wages continue to be the main strike trigger (48.8%), followed by dismissal (14%); grievance and discipline (11.5%); and retrenchment and recognition (7.4%).

The most active unions in terms of man-days lost were Cosatu’s National, Education, Health and Allied Workers Union (22.9%); Saccawu (14.7%); and the National Union of Metalworkers of SA (13%).

However, overall strike action dropped in the first half of the year. About 375,000 man-days were lost in the first six months of the year, compared with 1.2 million in the same period last year.

The reason for this decline, the report says, is that with unemployment reaching alarming levels, unions are concerned about their members’ job security and are less inclined to resort to industrial action.
CP congress on aid to whites

PRETORIA.—The Conservative Party is to convene a congress to co-ordinate action for emergency economic assistance to unemployed whites, CP leader Dr Andries Treurnicht said yesterday. (Com.)

"This is clearly the time for a new assistance organisation that will include a mechanism for job creation," he said.

Dr Treurnicht said the CP wanted to give urgent attention to the frightening crisis of poverty which was affecting white families.

Mr Wynand van Wyk (CP Witbank) was elected chairman of the Co-ordinating Assistance Emergency Committee at a meeting between right-wing unionists and MPs here this week. — Sapa
DURBAN. — Unemployed people represented one of the largest blocs of delegates attending the ANC's 48th national conference, which closed here yesterday.

The six-day event brought together a diverse group of 2,334 delegates, representing 819 internal and external branches of the organisation. A total of 2,244 of those attending had voting rights.

According to the ANC, of the 1,102 delegates who listed their professions there were 232 unemployed, 208 teachers, 110 students and 13 scholars.

The cross-section of delegates included professionals, pensioners, workers and unionists, businesspeople, a magistrate and a traffic cop.

A total of 85% of delegates were from within the country.

The average age of delegates was 34.3 years, with seven being over 70 years and 165 below 25 years of age.

Of the 1,747 delegates who noted their sex on their registration forms, 37.2% were women.

A total of 747 delegates were active in organisations besides the ANC, with 323 belonging to civic organisations and 159 belonging to youth organisations.
Unemployment claims rise steeply

PRETORIA — Claims for Unemployment Insurance Fund benefits have increased by 50% since last July to between 50 000 and 61 000 a month, latest statistics show.

Unemployment Insurance Commissioner Jack Scheepers warned yesterday that payments were equaling contributions and that any increase in claims could require drawing on the UIF’s reserves.

Scheepers said applications had increased by 20% since January.

Current monthly applications are at least 15 000 more than the 40 000 to 43 000 monthly claims this same time last year.

Benefit payments of about R100m a month are being made to about 223 000 beneficiaries, compared to 150 000 this time last year. This roughly equals the total income from employee and employer contributions to the fund, and interest on fund investments, of just more than R100m a month.

Last July income exceeded payouts by between R10m and R15m a month.

Scheepers said there was no question at this stage of raising contributions. However, a further increase in demands might make it necessary to draw on reserves, which stood at between R1.2bn and R1.3bn.

The number of applications seemed to have stabilised since the end of the first quarter, he said.
Winery workers retrenched

(335)

Staff Reporter

Stellenbosch Farmers Winery yesterday indicated that some 270 workers from all levels have been retrenched or took early retirement, as part of a programme to cut costs.

Executive chairman Mr Dave Marlow said the SFV rationalisation programme, which aimed at improved cost effectiveness, meant that bottling operations were transferred from New Germany, King William's Town and George to other centres with spare facilities.

Other services were contracted out, said Mr Marlow.

He said about 7% of the total SFV workforce had been retrenched and were given "generous" retrenchment packages.
Course aims to help the job seeker

WITH unemployment figures climbing and competition in the job market increasing, job hunters face a daunting task.

The need to focus on strengths, weaknesses, opportunities and threats as well as identification of goals and objectives, has never been more important.

Syncronet — the Change Agents, will hold a series of seminars aimed at clarifying these issues as well as giving an overview of the South African scenario.

The course aims to assist the job seeker to position himself effectively in the market.

The course will take the form of a workshop and will be held during and after office hours, depending on candidates' needs.

It will be run by a clinical psychologist and a specialist in the recruitment industry.

The course will consist of a general overview with regard to statistics, the SA job market, importance of positioning, how to read an advertisement and adopting the right mental attitude.

A section titled "The Individual vs The Job" will deal with culture, style, skills, ability, needs and experience.

Other modules will handle a Swot analysis, an anagram for strengths, weaknesses, opportunities and threats.

The psychological contact and the interview will also be handled in detail. Guidelines on how to handle the rejection, presentation, the CV, professional career assessments, communication and sharing of information will also be given.

The workshop costs R75 per person. Refreshments will be served and there will be an informative and comprehensive hand-out for participants.

Courses will start this month and will be held on Thursday evenings and during office hours.

Call Belynda or Sharon on (021) 763-1198.
SHARON SOROUR
Labour Reporter

HUNDREDS of unemployed Mitchell's Plain residents stood in a queue for at least three hours for their unemployment insurance cheques from the Department of Manpower.

The queue, which snaked around the Mitchell's Plain Town Square, was "at least 70 metres long" at one stage, according to a retrenched textile worker.

"It's ridiculous ... we have been here for nearly three hours now waiting in the cold with more than 500 other people.

"We all have families to support but we have to borrow money to survive before we get the first cheque. And then we have to pay back our debts and we sit with no money again."

Department of Manpower regional director Mr Willie Marais said the Western Cape had the quickest payout system in the country.

"People are paid out four weeks after their first date of application. We pay people by cheque, processed by computer, and it generally goes very quickly," he said.

Congestion was caused by the growing numbers of people applying and queuing for unemployment cheques.

The department intended eliminating congestion by splitting groups up.

HARDSHIP PERSONIFIED: Mr Charles Kiel, one of many unemployed in Mitchell's Plain, in the queue outside the Department of Manpower.
Stellenbosch Farmers' Winery said this week 270 workers had been retrenched or had taken early retirement as part of a cost-cutting programme.

The company said that bottling operations had been transferred from New Germany, King William's Town and George to other centres with spare facilities, while other services had been contracted out. About seven percent of the SFW workforce had been retrenched.

Reports from Sapa
unemployment in Alexandra, study finds

MORE than half of Alexandra's adult population is unemployed, according to a recent survey.

The survey by the Education for Employment Campaign (EEC) also found that the township's population had risen by about 30% during the past year to 320,000.

EEC director Dave Jacobsen said only one-fifth of Alexandra's children of school-going age were at school.

The remaining 76,000 children were turning to crime.

"Many unemployed people, including children, when asked how they survived, replied 'We have to steal — how else do you expect us to live?"" Jackson said.

The EEC seeks to train township residents in practical matters and is funded by the Independent Development Trust, local industries and foreign interests, including the European Community (EC).

Jackson said that 90% of Alexandra's population pinned their hopes for the future on the education of their children.

But certificates of education were virtually useless if the holder could not speak English well, he said.

"There are people out there with BSc degrees who are not able to communicate correctly in a factory and therefore cannot find jobs," he said.

The EEC programme aims to upgrade school facilities, provide training, counseling services and employment facilities for the unemployed and management training for community leaders.

The latter was vital to help defuse tension between rival township political groups, Jackson said.

The programme is being set up initially in Alexandra.

The EEC hopes to provide the service in other townships as well.

Soweto 'gives most support to govt'

GOVERNMENT has a higher level of support in Soweto than any other political formation, according to a survey of township residents' political attitudes.

The survey, by the University of Witwatersrand's Centre for Political Studies, found that Soweto residents were "very moderate" and gave government a higher level of support than they did the church, trade unions, the ANC, employers and the Cosatu.

The survey, of 900 township residents across SA, showed 76% of respondents were satisfied with the leadership of De Klerk and ANC president Nelson Mandela, but in Soweto De Klerk got 20% more support than the ANC.

The ANC would, however, get the votes of 60% of all township residents nationally, Civic associations, street committees, the SA Communist Party and Cosatu enjoyed lower levels of identification in Soweto than in other townships.

On the East Rand, virtually all political formations had a lower endorsement than in Soweto, except for Inkatha.

Inkatha had "overwhelming support" among hostel dwellers, who gave positive ratings to both the state and employers.

Most striking about hostel dwellers, the researchers said, was that they rated all other agencies and movements, including the church, relatively poorly.

Farmworkers victims under law report

DARIUS SANA

THE exclusion of farmworkers from industrial and labour legislation made the law a weapon in the hands of farmers, according to a report published by the Black Sash and the Transvaal Rural Action Committee (Trac).

University of Witwatersrand researcher Lauren Segal, the author of the report, said the relations between farmers and labourers operated along the lines of a medieval master-servant relationship rather than according to contractual principles.

"With no written obligations to bind him, the farmer is free to dismiss his worker for whatever reason he wishes and to decide on his own terms," she said.

"SA's 1,3-million farmworkers are not legally protected and conditions on some farming operations have revealed that there is no bottom line to how bad such conditions may be under the law."

She said farmworkers were excluded from the Labour Relations Act, the Wages Act, the Unemployment Insurance Act and the Factories Act, and had no right to public holidays, sick pay or leave pay.

There was no legal limit to working hours or any statute compelling farmers to pay overtime and as there was no minimum age for farmworkers, child labour was endemic, she said.

Legislation which could be used against farmworkers included the Illegal Squatters Act, the Trespass Act and the General Law Amendment Act, she said.
New guides will help students, job seekers.
Employment fears in building sector

LARGE retrenchments in the building industry appear inevitable, the Building Industries Federation of SA (Bifsa) says in its 1990 statistical yearbook, released recently.

To make matters worse, a large proportion of the people who might lose their jobs will have very little prospect of finding employment again, especially unskilled workers, it adds.

However, Bifsa chief economist Charles Martin feels that the building industry has already experienced the worst as far as retrenchments are concerned, with more than 30% of staff laid off during 1989 and 1990.

"I expect another 5% to 10% of people in the industry to be retrenched this year. Retrenchments will probably move sideways until the expected economic upturn impacts on the construction industry in the second half of 1993," he says.

A survey by Andrew Levy & Associates on retrenchment in various sectors of the economy shows that trade unions will be fighting retrenchments harder than ever before, even where well-established retrenchment provisions are embodied in agreements between employers and trade unions, says Bifsa.

Severance pay will become one of the most important issues in retrenchment negotiations in the years ahead. The survey shows that the most common reason for retrenchment has been the economic downturn, followed by restructuring and rationalisation.

Martin says: "The unskilled sector has suffered the most.
"Many cannot find alternative employment, but those with some form of skill have moved into the informal sector and attempted to sell their skills there."

The construction industry does not offer training in other fields for these people.

Bifsa is involved in a 12-week training programme to help unemployed people acquire literacy and basic building skills.

The short-term effect of the lifting of sanctions is negligible on the building industry.

However, it will be felt in the medium term, as there has to be an improvement in general economic conditions before the construction industry turns up. "The violence in the townships needs to be addressed to create investor confidence in SA and to facilitate low-cost home building in these areas.

"Unless this issue is resolved, even if short-term funds are made available, building in these areas will remain almost impossible," says Martin.
Clothing workers ‘fight for their lives’

SHARON SOROUR
Labour Reporter

HUNDREDS of thousands of workers around the country are “fighting for their lives” as retrenchments take their toll in almost every sector of the economy, the Labour Bulletin reports.

Retrenchment was one of the most serious threats facing the working class and the biggest activity of most trade unions was negotiating retrenchment packages, a report in the latest edition said.

“In 1990 about 70 000 jobs were lost through retrenchments. This means almost 200 workers were retrenched every day.”

While it was not clear how many jobs were being lost in 1991, the trend was continuing, and intensifying with some estimates putting the figure at over 1 000 a day.

SA Clothing and Textile Workers’ Union general secretary Mr John Copelyn was quoted as saying 1 300 jobs were being shed in the formal sector on a daily basis. If this trend continued, almost 500 000 jobs would be lost this year.

“Whether the figure is accurate or not, it is clear that retrenchment is one of the most serious threats facing the working class in South Africa today.”

It was for this reason Cosatu had made its anti-retrenchment campaign a major component of its Living Wage Campaign for 1991.

Unions had made important gains in curbing management’s power to “retrench at will.”

Cosatu believed the labour movement had to develop ways of contesting retrenchments at an industry-wide level, but economic, political and industrial restructuring was necessary to fight retrenchment effectively.

Retrenchments should be an issue for national negotiation between labour, employers and the state.
Members back union in unfair dismissals claim

SHARON SOROUN
Labour Reporter

MEMBERS of the Construction and Allied Workers' Union have protested against claims that the union unfairly dismissed three people who applied for jobs as organisers.

About 30 workers gathered outside the Department of Manpower offices to support the union yesterday.

The protest coincided with a conciliation board hearing on an application by three workers who were dismissed by the union after a three-month probation period, said union spokesman Mr Leonard Ramatlakene.

He said the applicants had cited the union, a Cosatu affiliate, for dismissing them unfairly.

In a statement, the union accused the three applicants of undermining union structures by going to the conciliation board and a "racist court".

The placard-bearing supporters accused the applicants of taking the union to a "racist court" which could not "solve their problems".

A placard read: "We do not expect progressive people to take other progressive organs to courts of the regime" and "Racist courts cannot solve your problems — go to democratic formations".

The job applications of the three workers, two from Cape Town and one from George, were turned down in January. They then declared a dispute with the union and appealed for reinstatement on the grounds of alleged unfair labour practices.

Mr Ramatlakene said they were not hired because they were not suitable for the organiser positions.

Union shop steward Mr Fred Gona, who attended the conciliation board, said the applicants had reserved their right to approach the Industrial Court for relief.

The outcome of the conciliation board is not yet known.
JOBS Saved, but Workers Face 40% Cut in Wages

By Tharaegh Panay

Company director Mr. Louis said a decision had been taken to keep the factory running as a loss for three years due to personnel decisions. He added that workers should not worry about their job security as long as the factory is running.

He added that workers would have to face a 40% cut in wages. He said that the factory was in a difficult financial position and that workers should understand that this decision was necessary. He also said that workers who were affected by the job cuts would receive 60 days' notice. He added that the factory would be able to continue to pay their salaries for the time being.
Give us work, beg Alex Residents.

UNWANTED: A hangnail from an ex's ex's ex's ex's ex's hand,000.

Alex (33)

<33>
of rubbish, cattle and other animals. Inducing the townships' very large rat population, play a small role in removing the more spectacular litter.

RUBBISH REMOVES: The misery and poverty of Alexandra, situated in the heart of one of South Africa's most difficult areas, is exaggerated by mounds
Rising labour costs — Stals

RESERVE Bank Governor Chris Stals has isolated rising labour costs as the major economic problem SA faces.

"This is what is pushing our rate of inflation up, this is the malignant disease that erodes our competitiveness vis-a-vis the rest of the world, this is what is closing our marginal gold mines, this is where the origin lies of rising unemployment in SA," he said in Johannesburg yesterday.

He called on trade union leaders and management to work together to reverse "the alarming trends" of the labour market over the past 20 years.

Stals described the rates of increase in the labour costs per unit of production as "disturbing" and "alarming".

Unit labour costs rose by 17.2% and 15.1% in 1989 and 1990. The country's "major problem" was reflected in these statistics.

He chided economists who blamed tight monetary policy for rising unemployment, saying they should "rather address the real basic problem and analyse the reasons for the declining trend in productivity, for excessive increases in wages and salaries and for the rising unit labour cost".

Productivity per worker fell marginally in 1990 after increasing by only 0.8% in 1989 and rising by 2.3% in 1988. At the same time, the average real wage per worker increased at rates of 2.2%, 2.9% and 2% respectively in 1988, 1989 and 1990.
A new role for unemployed union

South, 25/1/91, 31/1/91

The Congress of South African Trade Unions (Cosatu) will determine the fate of its unemployed workers section at its congress this week, according to Mr. Shaheed Mohamed of the Western Cape Unemployed Workers Union (Wecuwa).

The federation has for some time been discussing the role of the unemployed workers movement and believes that it cannot be responsible for it alone, as many of its members belong to the ANC, SACP and civic structures.

Wecuwa has drawn up a resolution that argues for the unemployed to remain in Cosatu and hopes to table it at congress, if supported by two unions.

“We also hope to raise the possibilities of Cosatu taking up the 20 cents campaign nationally that has already started in the Western Cape.”

All unions were requested to collect 20 cents from workers that would then be forwarded to the unemployed union for administrative costs and the setting up of co-operatives, Mohamed said.
Reserve Bank retrenching

CAPE TOWN — About 37 percent of the Cape Town staff of the Reserve Bank are to be retrenched.

Regional manager Brian Winn says the retrenchments are part of widespread rationalisation.

The Reserve Bank has said it will discontinue its normal banking services to clients at all branches with the exception of those in Johannesburg and Pretoria from January 1.

The move is the result of, among other things, the privatisation and commercialisation of government enterprises, the centralisation of government accounts and technological developments.

However, branches will continue to supply and handle banknotes.

Johan Terreblanche, assistant general manager, says the rationalisation means fewer jobs, but that no staff will be summarily dismissed.

"Those personnel who wish to further their careers at the bank and who are willing to accept a transfer will be accommodated at head office or another branch." Other staff will be offered a severance package.
By THEMBA KHUMALO

THE Diepmeadow Council is about to increase rent tariffs and retrench staff because of a lack of funds, according to a report tabled before the councillors recently.

The report said the R25-million given by the TPA to the council as bridging finance this year was insufficient to cope with rising costs. The staff salaries and wages amounted to R2,6-million a month and this was likely to increase by 10 percent in the next few months.

"The Treasury Department has in its possession R4-million worth of cheques owing to creditors that it is not in a position to release due to lack of funds. Creditors are going to increase at an alarming rate and council will be facing litigation," the report said.

Eskom is owed R605,625.22. The council had entered into an agreement with the Regional Services Council to pay all income from electricity directly to Eskom weekly, but due to lack of funds the council was violating the pact.

To overcome the financial crisis the Treasury Department has recommended that:

1. The council takes all possible measures to recover arrear accounts of defaulters;
2. That council employees negotiate on the possibility of voluntary retrenchment; and
3. That the council negotiate with the RSC to defer certain projects until funds are available.

Rents to rocket after money crisis?
Tourism growth holds prospect of job creation

FOREIGN tourist spending of R92 m and domestic tourist spending of R547 m add up to a total direct tourist expenditure of R739 m. With the economic multiplier effect the impact of overall expenditure is probably almost R2 bn, which is about 3% of the gross product of the Western Cape.

Apart from what these figures indicate, there are wider economic benefits from tourism and its potential role as a cornerstone of the economic future of Cape Town and environs:
- About 75 000 jobs in the area directly or indirectly depend on tourism.
- For an estimated 11 additional tourists one additional job opportunity is created (an international norm for developing countries which may differ according to region).

Provided the market potential is there, stimulating tourism is probably the most effective way to create jobs.
Alex’s amazing Grace

Grace Ntsele will be featured on TV2’s Sivatyele/Siyazumgeza at 8 tonight. Grace is a nominee in the Sowetan TV2&3 Community Builder of the Year competition. Readers will be asked to choose the winner after all six finalists have been featured in the Sowetan and on TV2&3.

That day I decided to do something to remedy the situation

By PHANGISILE MTSHALI

THERE is a day in everyone’s life that changes everything - a day that brings out the hidden strength and abilities of that individual.

For Mrs Grace Ntsele (54), the day came in 1983 when she picked up a lunchbox dropped outside her Alexandra home by a jobseeker fleeing from the police.

“‘In it there was just a miserable scoop of dry pap,’” said Ntsele.

“That disturbed me. On that day I decided to do something to remedy the situation.

“When I got to work I discussed it with my bosses and I motivated a campaign to help the unemployed get something substantial in their stomachs daily.”

From that day Mama Grace, a family planning social worker, started her unprofitable but worthy contribution to help the community of Alexandra.

At first she used to cook one big pot of food and take it to the veld outside her home, where jobseekers used to wait for employers.

Soon the crowd grew as the disabled, destitute and the sickly waited eagerly daily for a cup of soup to give them strength to get through the day.

Today she feeds about 300 pensioners, schoolchildren and the hungry of all ages right outside her doorstep.

Pensioners

Every morning she and her four assistants prepare big pots of soup with vegetables donated by a local restaurant owner.

Besides those who come to her house every morning, Ntsele also makes house visits for the bedridden and encourages pensioners to look after one another.

For years she divided her time between caring for her large family of seven and holding a full-time job as a social worker but still she had time to care for the destitute of impoverished Alex.

After retiring from the South African Family Planning Association she still gives three days every week to serve the community through the St John’s Church Centre of Concern.

From Wednesday to Friday, after waking up at 5.30am to prepare her coal stoves for the pensioners who shuffle in about 8am, Ntsele sets out for St John’s.

“I give counselling to the unemployed, I get ordinate self-help skills programmes for them and counsel on health matters,” she said.

“But I do not really have to go to an office to counsel. I hammer home family planning, dangers of sexually transmitted diseases like AIDS to everyone who cares to listen.”

At Ntsele’s home the destitute and the hungry do not only fill their stomachs, they get spiritual guidance, company and they always have somebody to lean on - that someone is none other than old but vibrant Grace Ntsele.
Companies taken to task over ‘criminal’ retrenchments

By Des Parker

National Sorghum Breweries executive chairman Mohale Mahanyele yesterday described retrenchments as "criminal" and took companies to task for laying off the lower echelons of employees while allowing managers and directors to keep their jobs and their perks.

Defending NSB’s policy of affirmative action in employment—a blacks are given preference in all appointments—Mr Mahanyele told delegates to the annual convention of the Association of Black Accountants of Southern Africa in Durban yesterday it was “an indictment of the South African system” that thousands of jobs had to be sacrificed every year so that companies could announce good financial results to their shareholders.

“We have the highest unemployment level in our history. Forty percent of economically active people are out of work and the effect pervades all levels of society,” said Mr Mahanyele.

Yet despite this, there are massive retrenchments by companies that are proud to announce good returns at the end of the year, never mentioning the fact that thousands of their fellow South Africans have had to be retrenched for them to be able to announce these results and show how effectively they are running the companies.”

He said black people had to acquire ownership and control of the “resources of the economy” to ensure political emancipation was translated into economic empowerment and was not rendered meaningless by the continuation of widespread poverty.

**Action needed**

“Somebody has to step in and take action in the same way economic power was given to the Afrikaners.

“Anglo American gave General Mining to the Afrikaners as part of a strategy to empower these people so they could become major players next to the English and the Jews in SA.

“These things do not just happen due to a process of evolution; somebody has to step in and take action.

“The process has been set to one side in favour of political freedom all over the continent (of Africa) and history has shown that the situation never gets righted because those who come to power face a situation known as equal opportunity.”

NSB, since its creation from the merger of the formerly State-owned sorghum breweries, had changed from a completely white-dominated organisation to one where the structure was rapidly coming to reflect the “population proper.”

A lot of blacks had been brought in across the spectrum of positions and three of the six major divisions now were run by blacks. Blacks had to be considered before whites to fill vacancies, while the company endeavoured to make its purchases only from businesses which advanced blacks.

Mr Mahanyele took issue with people who criticised these types of policy as being “reverse discrimination”.

“This is a major bluff in this country; you cannot have reverse discrimination in a country which has discrimination on the scale we have in this country.”

“If we do not do these things, we are going to end up in the same position as countries like Zaire, where the people have no economic power, only political,” he said.
UNEMPLOYMENT — 1991

Business to Cut Unemployment

Bigger Role Sought for Small

Michael C.}

Crisp

335

THE ECONOMY WHERE IT LIES

...
Entrepreneurship top priority!

New studies estimate current unemployment at between four and eight million, the Business Development Corporation says.

And this means focused new thinking about the scope of the education system, Michael Chester notes.

You can tell that the problem will not be solved until South Africa begins to produce more entrepreneurs.

And that means focused new thinking about the scope of the education system.
Facing Complex Challenges: Our expertise is your key.
Job Losses
Townstoke join forces against Wellington's industrial decline

The municipal building is also threatened
and will also lose the demand for its services among the "Westerners".
DISTINCTION: A distinction is made between Williams and other employees.

Wellington, which forces

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He's not just a

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Millions now without jobs

JOHANNESBURG. — More than 2,5 million South Africans are unemployed.

Dawie de Villiers, Minister of Economic Co-ordination and Public Enterprises said yesterday the unemployment rate in the country had, according to estimates, increased from about 10% in 1983 to 17% in 1991.

Speaking at the Afrikaanse Handelsinstituut congress in Sandton, he said this meant that more than 2,5 million people were probably jobless.

"Only about one quarter of prospective new entrants to the job market in the 1980s had been accommodated in the formal sector. At current expansion rates this means that there is no space in the formal sector for about 330 000 of the almost 400 000 people entering the labour market annually," said Dr de Villiers.

"Calculations in this regard show that more than 43% of the labour force currently find themselves outside the formal sector. It is a worrying figure."

CT 15/2/91
30,000 jobs lost

Almost 30,000 jobs were lost in the main four employment sectors between February and May this year, Central Statistical Service figures show.

The sectors are mining and quarrying, manufacturing, construction and electricity.
Entrepreneurs needed to solve jobless crisis

South Africa can blame many of its chronic unemployment problems on its dismal failure to keep pace with world trends in the launch of fibre-budding new entrepreneurs into the mainstream, according to a new study by the Small Business Development Corporation (SBDC).

The studies show that in the US no fewer than 100,000 young Americans start businesses of their own every year – 10,000 of them straight from school.

A recent count found that a stunning third of all new businesses launched in the US wereunder the command of fledging bosses under the age of 30.

The world average of entrepreneurs in total labour forces came out at between 10 and 12 percent. The South African average trailed at 5 percent.

SBDC managing director Dr Ben Vosloo argues that the generation of more entrepreneurs must be regarded as a top priority in the formulation of new economic policies.

The urgency of new thinking, he says, is underlined by the growing size of unemployment queues in South Africa, now standing at between four and five million.

Job opportunities offered by the formal business sector are able to cope with only 125 of every 1000 school-leavers pouring into the labour market.

That leaves 875 with no option but self-employment or the informal sector.

What worries Dr Vosloo is whether most of them have been prepared to cope with this reality. He says only radical changes in the entire education system can provide solutions.

"It would be tragic if we had to admit that billions of rand$ of taxpayers’ money is spent on educational products which cannot be used by society. It would be equally tragic if the education system were not capable of delivering the sort of school-leavers that society needs."

South Africa, he says, will start to put more muscle into economic growth only when the classrooms begin to equip pupils with the knowledge and skills that provide the foundation for such careers as artisans, production managers, data processors, bookkeepers, nurses, scientists, engineers and technicians.

A sense of independence, achievement, optimism and competitiveness.

Focus on career information programmes tailored to alert young people to the opportunities of self-employment and business entrepreneurship as career choices.

Better evaluation of the role of part-time study, work programmes and post-experience training.

"It is clear that education is the key to a better future," says Dr Vosloo. "A society which cultivates a strong entrepreneurial culture is bound to get off on a road to progress and economic growth."
Union plans jobs drive

Own Correspondent

JOHANNESBURG. —
The 98 000-member SA Commercial, Catering and Allied Workers' Union (Saccawu) yesterday announced that it would embark on a national job security campaign, after more than 1,000 members lost their jobs over the past year.

Saccawu spokesman Mr Jeremy Daphne said yesterday that rationalisation had already resulted in at least 30 workplace closures in the industry, and notice had been given of further retrenchments.
Board to tackle dismissals

By Mbuyiselo Mtshheketshe

A CONCILIATION board will attempt to resolve the dispute around the recent dismissal of four Transport and Omnibus Workers Union (TOWU) members at Lombard's Transport Company in Parow.

Their dismissal follows disciplinary hearings against shop steward Mr James Mpambane and other workers.

Workers who have joined the union claim they are being harassed and victimised by the management, who have refused to recognise the union.

The local manager of the company, Mrs HJ Badenhorst, said no workers had been dismissed and declined further comment.
Job Security Campaign

Labour

THE WEEKLY MAIL, Aug. 18-15, 84

BY FERIAL HAFERRE

The union also wants a general union

contract which must be

finalised in these workers

accordance to workers'

interest in union rights must be

negotiated in accordance with

the union's basic principles.

This includes clauses on job security

and job security which are

negotiated in accordance with

the union's basic principles.

Although intensive negotiations

have been ongoing between the

workers' representatives and the

management, there is no mutual

agreement on these issues.
Union to embark on job security campaign

THE 90 000-member SA Commercial, Catering and Allied Workers' Union (Saccawu) yesterday announced it would embark on a national job security campaign after more than 1 000 members lost their jobs over the past year.

Saccawu spokesman Jeremy Daphne said in a statement yesterday rationalisation and restructuring exercises in the sector had already resulted in at least 20 workplace closures and notice of further retrenchments and closures had been given to the union.

The most severely affected area was in the Tradeco group of companies. Tradeco's holding company Sanlam was currently conducting an unbundling exercise of its retail arm.

The deal—which Saccawu said resulted in immense hardship for thousands of workers—also involved the sale of Smart Centre and Frasers Mine Store to Pepkor and the closure of D & H Frasers.

The fate of Checkers and Cash Build was still hanging in the balance.

"In the union's view, Sanlam, which controls 9.5% of the JSE, is an example of economic inefficiency and irresponsible management which characterises SA conglomerates."

Frasers' closure, combined with retrenchments that had already taken place in the Metro Group, was plunging whole communities into unemployment.

The union had tabled several demands to the Premier Group including that it make every effort to place retrenched workers in other Premier Group companies.

Daphne said the union's regions would meet soon to discuss a number of demands to be made to management. These included:

- An immediate halt to all restructuring exercises and retrenchments;
- That company restructuring and job security negotiations be set up at a central level; and
- That non-permanent and contract jobs be phased out and non-permanent workers be given permanent jobs.
Job-seekers in the lurch

ABOVE 100 jobless workers this week laid charges against a British immigrant whose employment agency allegedly collected money from them after promising them jobs.

Charges against Mr. Kervin Winter, owner of RBE Marketing CC, were laid at John Vorster Square on Monday after he had apparently broken a promise to refund the people's money.

They had each paid him R50 for jobs which later turned out to be nonexistent.

Winter made the promise last Wednesday after the group had stormed his office and demanded the refunds.

The situation was defused when Winter made the undertaking in the presence of police.

Angry

More than 100 angry people from as far as Mahopane in Pretoria and Ventersdorp arrived at Winter's Kempton Park office on Monday this week only to be told that he had not been there since last Wednesday.

The group then went to John Vorster Square to lay charges.

A police spokesman confirmed that police were investigating charges against Winter.

Some of Winter's workers, who also allegedly paid R50 each to work for him, said they had not been paid.

The caretaker of the building said Winter had removed his belongings at the weekend.

Soweto also found that Winter's office had been closed because of his failure to pay rent.

Winter made the promise of his belongings, leaving chairs and desks.

The caretaker said the remaining articles would be impounded pending the outcome of his investigations.

A Department of Home Affairs spokesman said they were also investigating Winter because his working visa had expired in May.

He could not say whether Winter's company was registered or not.

Winter and an assistant known only as Wynand could not be traced yesterday.
Sputnik blasts racism

By ELIAS MALULEKE

A ‘COLOURED’ eastern Transvaal mother of 10 who battled for a year to replace her lost identity document became ‘black’ this week due to a mistake by the Department of Home Affairs.

When Sesane Joyce van der Merwe, 55, of Emzini township in Bethal, and her son Sputnik van der Merwe, 32, returned to the Bethal regional office of Home Affairs to re-apply for their lost ID’s, they were informed that Sesane was registered under her step-grandfather’s surname, Mathebula.

Sputnik said the official told them his mother was black and not coloured and would have to engage a lawyer to apply for the change of her surname before they could give her a new ID.

“I thought apartheid was dead and colour was no longer the case since President FW de Klerk did away with the Population Registration Act, but I was wrong: ‘Apartheid is dead, long live apartheid’,” Sputnik said.

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Kenyan writer gets ovation

By MOWENABISE

ACCLAIMED Kenyan novelist, playwright and academic Ngugi wa Thiong’o received a standing ovation from students, writers and academics at Wits University this week on his first visit to South Africa.

Wa Thiong’o, 53, had presented a public lecture on “The Role of Indigenous Languages in African Literature.”

The lecture was the first in a series he will be presenting at tertiary institutions throughout the country.

He challenged African writers in the “post-colonial situation” to develop indigenous African languages.

Famous for his novels of Africa in transition, Wa Thiong’o was born in the remote area of Limuru in 1938. He graduated with honours from Makerere University in Uganda in 1964 and did postgraduate studies at Leeds University in the UK.

This April he was awarded the coveted Paul Robeson award for his contribution to world literature.

Wa Thiong’o, who is also a prolific playwright, is scheduled to lecture at universities and writers’ forums in the Northern Transvaal, Natal, and Cape Town.

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Workers’ hopes dashed

THE ANC decision to lift the consumer boycott in Pietersburg did not take into account the plight of 419 workers dismissed from Sakkar Manufacturing.

So says Azapo’s Northern Transvaal publicity director, Kangale Makhado, in a statement.

Topping the agenda of the boycott, which started on July 1 and ended a fortnight ago, was the reinstatement of the workers who were fired following a strike.

Accusing the ANC of suspending the boycott prematurely, Makhado said the ANC had dashed the workers’ hopes.

The statement warned the owners of the company – Taiwanese brothers Jack and Jayson Fong – to re-employ the workers, all members of the Media Workers’ Association of South Africa.

Otherwise, said the statement, “they will have to leave our country as they have chosen the wrong place to reintroduce slavery.”

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MASTER OF WORDS ... Kenyan writer Ngugi wa Thiong’o speaking on the role of indigenous languages in Africa. #Pic: SIPHIWE MHLAMBI
Staff cut after scandal at NEI

By DIRK TEMANN

NORTHERN Engineering Industries Africa (NEI) is cutting staff after disclosures about an accounting scandal [10/11].

Group managing director Lawrence Hyslop admits the lay-offs, saying: “Executive lay-offs at our Propower subsidiary are the result of the company’s having been grossly mismanaged.

“People resigned at the beginning of the year and now we are right-sizing.”

NEI Group’s interim results, to have been published last week, have been delayed because international shareholders must approve them, says Mr Hyslop. They are not expected to be good.

Skulduggery

Propower has lost the Atlantic Diesel Engine franchise and closed a factory in Isando.

The accounting frauds discovered in May did not show bank borrowings as liabilities and overvalued stock. The result was that the 1999 recorded profit of R21-million was a R4.3-million loss.

NEI says the skulduggery was restricted to Propower. But talk is that what it called the “disturbing breakdown in accounting controls” affected several subsidiaries.

Tough business conditions are given as the reason why 2% of the 2500 staff members at International Combustion Africa (Ical) were laid off.

Ical contributed almost 30% to group turnover last year. It made tube boilers for Escom and the drilling derrick for Mosgas.
MEDIA Workers Association of South Africa members are to march on the Chinese Embassy in Pretoria next week to highlight the plight of the 419 workers dismissed by a Taiwanese company.

The sacking of the 419 last week by Sakkor Manufacturers in Pietersburg caused an uproar with Azapo demanding their immediate and unconditional reinstatement.

Owners of the company are two Taiwanese brothers, Mr Jack Fang and Mr Jason Fang.

Mr Albert Makgoba, the northern Transvaal regional administrative officer of Mwasa, said an application for a permit to march on that day has already been made to the chief magistrate in Pretoria.

Makgoba said: “We have notified the embassy about our intentions and they have responded positively.”

Ms Linda Wang, an official in the Chinese Embassy in Pretoria, yesterday said: “We received a briefing regarding the matter through Sapa last week and we approached Mwasa because it concerns us.

Meanwhile Azapo has condemned the owners of the company. Jack Fang declined to comment yesterday.
Retrenchment — its effect on staff and productivity

The economy is in the doldrums and many organisations are faced with shrinking markets, increasing competition, escalating inflation and costs, a weak rand and expensive financing.

To survive they can reduce dividends, reserves and overheads, and where possible, increase prices. But to remain competitive they need to increase throughput (not total output) and contain or reduce inventories and operating expenditure.

Items such as advertising, training, travel, entertainment and stationery are all subject to pruning, but almost inevitably the real discussions are about the necessity of retrenching staff to survive.

Often the instruction goes out that current staff levels must be reduced by say 10 percent across the board. Section managers must submit lists of those whose services can be dispensed with, usually starting from the bottom up. From experience we know that such actions are disruptive, and worst of all, that within months higher costs start creeping back, regardless of statements that this will not be allowed to happen.

It is worthwhile looking first at some of the causes of excessive labour costs:

- Above average salaries and wages that have crept in over the years
- Under-utilisation of labour resources
- Inefficient labour performance due to poor systems, methods or technology
- Organisational structures which are either over-centralised or over-decentralised
- A devotion to sacred cows and traditional activities which contribute little to what should really be achieved
- Too many levels of management and too-narrow spans of control
- Inefficient, poorly trained or uncommitted supervisors and managers

But assuming for the moment that there is no other way out of this quagmire, what are some of the dangers of moving straight into reactive cost cutting through staff reductions, without even looking at the effect on the overall productivity of the organisation?

Some of the more important dangers of staff reduction which management needs to be aware of are:

- Poor morale and the resulting suspicion and in-fighting; a lack of commitment to improvement schemes; fear amongst those remaining that their turn will come; "cooking" reports to keep bad news from management (just at a time when it is critical that they be aware of what is going on in every area).
- Losing the best workers, who can move more easily, and being left with the mediocre ones.
- Weakening the skills base generally and particularly in those areas which may be required when the economy improves.
- Actually reducing productivity, service levels and quality.

So we see that the mere announcement that "management has decided with regret to reduce staff by 10 percent" can hold many dangers for an organisation. What is required is systematic, pragmatic planning for survival and not sweeping, knee-jerk reactions and near panic percentage-based retrenchments.

In fact, if management makes an operations level appraisal of the organisation and sets a framework of criteria for identifying where improvements leading to increased competitiveness can be made, it may be a golden opportunity to upgrade the productivity of the firm.
Jobless time bomb facing SA

Own Correspondent

UNEMPLOYMENT could rise by 700,000 by the end of 1992, becoming a time bomb which could seriously damage civilised society and the success of political democratisation in SA, said Bankorp in its latest Econovision report.

The estimate is based on an expected decline of 90,000 job opportunities this year and no growth next year, as well as a rise of 600,000 people in the labour force and the return of thousands of political exiles.

The number of work seekers outside the formal economy grew by 250,000 a year on average during the '80s and by the end of 1990, about 6m adults were without formal employment. However, various estimates have now put this figure at up to 8m.

Bankorp says unemployment must be addressed urgently.

"It can seriously destabilise society and thwart SA's return to international finance. This would considerably weaken the longer-term prospects of growing fixed investment and job creation."

The Reserve Bank's annual economic report said the formal economy's ability to create employment opportunities had deteriorated markedly.
PRETORIA — More than 40,000 workers lost their jobs in South Africa’s four main employment sectors earlier this year, according to Central Statistical Service (CSS) figures.

Compared with previous CSS figures, the latest statistics show that unemployment has continued to accelerate.

In the three months to end-May, the number of people employed in the mining and quarrying industry declined by 21,962 to 630,481.

Employment in the manufacturing sector fell by 16,300 to 1,420,00 in the four months to end-June, and construction industry jobs dropped by 5,300 to 391,000.

Even the relatively stable electricity industry shed 700 jobs in the four months to end-May.

This brought the sector’s employment to 45,100.

The total number of jobs lost in the four sectors was 43,962.

The CSS’s previous employment report, covering the period between December and the end of March, found that 23,000 jobs were lost in the four industries — just more than half the latest figures.

GERALD REILLY

During that period, 9,103 jobs were lost in the mining and quarrying industry and 3,300 in manufacturing.

In construction, 7,400 workers lost their jobs.

Employment in the electricity industry remained static.

Exports

Volkskas chief economist Adam Jacobs said there were no indications that the growing unemployment trend would slow down this year. Behind the trend was a weak domestic demand for consumer goods and tough international trading conditions which affected exports and the manufacturing industry in particular.

Corporate profits were down almost across the board.

Companies viewed labour as a prime target when looking for ways to reduce costs.

Jacobs said less than 10% of the 300,000 people who entered the job market each year actually found jobs in the formal sector.
Billions to Boost Economy

The government has approved a $20 billion stimulus package to boost the economy and create jobs. The package includes a $10 billion infrastructure investment, $5 billion for education and training, and $5 billion for small business support. The government plans to implement the package over the next two weeks. The money will be used to fund critical infrastructure projects, upgrade schools and universities, and provide grants to small businesses. The goal is to create thousands of new jobs and stimulate economic growth. The government is also working on a long-term plan to further boost the economy in the coming months.

Debra Tomlinson - President

Department of Finance
Retrenchment axe
is now falling on
management

WHILE retrenchments have long been a hazardous fact of employment it seems that, when the axe falls these days, its blows are increasingly less discriminating.

Significant numbers of pinstrippers are getting the chop and a recent SA Chamber of Commerce survey indicates that more than half of all companies in the manufacturing sector plan to cut their skilled and unskilled labour forces in the next 12 months.

“It’s the first time I’ve seen significant large-scale retrenchments of management and administrative staff,” observes industrial relations consultant Andrew Levy.

“These days when a plant closes, management goes with it,” he said.

As the recession deepens and mergers, restructurings and rationalisations continue, statistics fail to reflect the severity of the situation.

Unofficial figures indicate that about 40 percent of South Africa’s economically active population — an astounding total of 5 million people — are currently unemployed.

Some estimates put the figure as high as 7 million.

Says Sacob’s economist, Dr Ben van Rensburg: “You can’t expect management to get off scot-free in a recession like this.”

An article in the current edition of Cosmopolitan, according to journalist Carolyn Rapheley, says the overall prognosis doesn’t look good.
Sun Courier

South 29/8 - 4/9 91

talks go on

STRIKING workers at Sun Courier
in Epping have agreed not to interfere
with the company's operations after
management reinstated 17 workers
who had earlier been dismissed for
preventing vehicles from moving in
and out of the plant.

The strike, involving 1,000 workers
and 18 depots nationally, is now in its
second week.

Workers are demanding a salary in-
crease of R250 across the board and
parity in salaries for white and black
trainee supervisors.
Requests for benefit money grow rapidly

By Paula Fry

About R100 million is being paid out each month as more and more jobless people dip into the unemployment insurance benefit fund.

According to Unemployment Insurance commissioner, Jack Scheepers, the payouts have increased by about 30 percent since last year and unemployment ranks high among the various benefit claims.

"During 1990 we received on average between 39 000 and 40 000 new applications for benefits each month.

"Figures for 1991 show that we have received on average about 60 000 new applications monthly for the different types of unemployment benefits."
to be revealed today

R1 bn jobs scheme

1996...
Billion plan to upgrade

Political Staff
JOHANNESBURG. — The government will today disclose details of the socio-economic projects it will fund with the R1 billion gleaned from selling off strategic oil reserves, Economic Co-ordination Minister Dr Dawie de Villiers said yesterday.

It is understood that Dr De Villiers will announce that the R1bn will be spent on once-off investments to fund community-based projects to stimulate economic growth and to provide jobs over a protracted period.

A source said the government realised it had a responsibility to the less privileged sectors of the community and it had been decided that some of the major projects that would be funded include:

- Building community centres;
- Building 141 primary health clinics;
- Developing sports facilities in squatter settlements;
- Upgrading 50 hostels in the Transvaal townships, and
- Setting up systems for potable water in self-governing homelands.

A spokesman for his office said that Dr De Villiers would discuss the expenditure and allocation of the R1bn at a press conference this morning.

The funds raised from selling off oil reserves would be spent on special projects "designed to make the maximum contribution to economic growth, job creation and social stability," the spokesman said.

The sale of reserves to fund socio-economic upliftment was announced by President F W de Klerk during his budget vote in Parliament earlier this year.

Dr De Villiers's office received floods of proposals for funds following Mr De Klerk's announcement.

According to one source, some organisations sent in the same request in two different guises that could result in their getting double funding for their projects if this was not discovered in good time.

It could not be established yesterday how the funds would be channelled to the projects.
Bankorp warns on threat of soaring unemployment

UNECONOMY could rise by 760,000 by the end of 1992, becoming a time bomb which could seriously damage civilised society and the success of political democratisation in SA, said Bankorp in its latest Economic report.

The estimate is based on an expected decline of 80,000 job opportunities this year and no growth next year, as well as a rise of 600,000 people in the labour force and the return of thousands of political exiles.

The number of work seekers outside the formal economy grew by 250,000 a year on average during the '80s and by the end of 1990 about 4 million adults were without formal employment. However, various estimates over the past two years have put this figure at between 4 million and 5 million.

Bankorp says unemployment must be addressed urgently.

"It can seriously destabilise society and thwart SA's return to international finance. This would considerably weaken the longer-term prospects of growing fixed investment and job creation."

The Reserve Bank's annual economic report said the formal economy's ability to create employment opportunities had deteriorated markedly.

This is shown by the deceleration in the average rate of increase in employment to 11% a year in the '80s, from 2.5% in the '70s.

In the latter half of the '80s, the rate of growth fell even further to 0.8% a year.

On average only seven new employment opportunities are created in the formal sector for every 100 entrants to the labour market.

The Reserve Bank says the poor performance in the labour market is related to changes in the production structure of the economy.

Over the past two decades capital has been increasingly used as a substitute for labour, it says.
Unemployment blamed for crime rate.

By Brendan Tremain

Recent years have seen an increase in crime rates, particularly in urban areas. Many people believe that unemployment is a major factor contributing to this rising crime rate. The lack of employment opportunities leaves many young people with nothing to do, leading to a sense of frustration and frustration. In addition, the lack of job security and stability can lead to financial stress, which can further exacerbate these issues.

The government has implemented several measures to tackle unemployment, including the creation of new job opportunities, training programs, and financial support for those in need. However, despite these efforts, unemployment remains a significant problem in many areas. As a result, crime rates continue to rise, with many people feeling unsafe in their own communities.

It is clear that tackling unemployment is crucial in order to reduce crime rates. However, this will require a comprehensive approach that addresses the root causes of unemployment, including lack of education and skills training, as well as economic inequality. Only by working together can we hope to create a safer and more prosperous society for all.
No jobs for 90% of matrics

By IVOR CREWS

ONLY 10% of the matriculants writing final exams in six weeks' time will find work in the Western Cape next year, according to employers.

Leading economists and personnel agencies in the city yesterday painted a grim future for next year's job seekers in the already tight job market, with fierce competition for jobs and employers becoming increasingly more selective.

Shock statistics showed that there are between three and five million people unemployed in South Africa.

Consensus of opinion among economists was that there were not enough jobs on offer, and matriculants did not have the necessary qualifications or experience to compete in the overburdened job market.

Mr Charli Adams, manpower manager for the Cape Town Chamber of Commerce, said: "The current economic growth in South Africa is even worse that in the depression of the 1930s."

In the Western Cape alone 300 000 to 500 000 people are out of work and companies prefer prospective candidates to have some experience.

He said the chamber was looking at ways of improving job prospects for the youth in "the short-term".

"We are investigating the possibility of a job-creation scheme for matriculants, technikon and university students to be temporarily employed by the business sector to enable them to gain some vital skills and business acumen."

Mr Theo Jansen of Syfrets confirmed that only about 10% of this year's matriculants would find work next year. "Employers are looking for more than just a matric. Matriculants should further their studies or they may have to wait for years to find work. Even something like a typing course helps."

Mr Johan Louw of Sanlam said matriculants now had to compete in the job market with experienced people who had been re-trenched, and this compounded the problem.

Employment agencies said employers were expecting a lot for relatively low compensation and were very selective in finding the ideal person for the job.
Now firms try to place retrenched employees

VERA VON LIERS

OUTPLACEMENT — or helping retrenched employees find new work — is becoming an increasingly popular management tool in SA, according to a UK human resource consultant.

MD of Pauline Hyde & Associates Christopher Blasdale, the guest speaker this week at a two-day conference on corporate restructuring, said yesterday outplacement held many benefits for SA companies.

"Currently, in the UK, management (turnover) is taking place at the rate of between 20% and 25% per year. We are there to help managers to meet that change," Blasdale said in an interview.

He explained that outplacement, in its simplest form, was a method to help people leaving a company find good new careers quicker than if they were left to their own devices.

Shopfloor

Outplacement was not exclusively for senior management. While it originally started with top management, the service had been extended to middle management, junior management and shopfloor workers. Counselling management and shopfloor workers was the same discipline and only the style was different.

The concept originated in the US in 1975 and came to the UK in about 1977. More than 90% of big companies overseas use outplacement and it was likely to become a standard practice in SA.

"When companies restructure, which generally means downgrading, they have a tremendous morale problem.

One of the best ways of restoring the morale of the company is by placing employees in new jobs — which is the real reason why companies find it cost-effective using our services."

The conference, which starts at the Indaba Hotel today, is organised by Executive Seminars.
Jobs go at Frame

EAST LONDON. — Frame Textile Corporation is to close its cotton spinning operations here, with the loss of 1,100 jobs.

Frame Waverley Textiles Ltd blanket division, which employs 2,000 people, will not be affected.

The spinning division, which manufactures cotton polyester, cotton and calico cloth, will close at the end of October.

A total of 1,100 people at all levels will lose their jobs.

Frame Textile MD, Walter Simeone, who is in Durban, refused to comment yesterday.

Pressed to confirm the spinning division was to close, he said: 'I am not making any statements.'

Asked when a statement would be issued, Simeone said: 'If a statement is to be made at all, it will be made at the appropriate time by (Mervyn) King (executive chairman of Frame Textile Corporation).'

The SA Cotton and Textile Workers' Union's (Sactwu) regional secretary, Jabu Gwalile, could not be reached for comment yesterday.

The closure follows widespread criticism of government restrictions on the importation of foreign textiles which are said to be flooding SA from countries exploiting low wage levels.

Ironically, in the last five to six weeks the East London factory has achieved high efficiency standards and has produced yarn of exceptional quality, partly because of the introduction of modern machinery.
Don't retrench. retrain – Cosatu

By FERIAL HAFFAJEE

In the light of growing unemployment, the Congress of South African Trade Unions is calling for retraining, not retrenchments.

Retraining workers for a restructured economy will minimise retrenchments, the federation believes.

It is also a way of ensuring the more skilled workforce a new economy will demand, as well as worker empowerment. At its July congress, Cosatu passed a comprehensive resolution on training which its affiliates have begun tabling in negotiations with employers.

"Training should be linked to economic planning and form an integral part of our attempts to restructure the economy," says Cosatu.

Training is controlled by the National Training Board. Cosatu recently agreed to participate on the board but demands that its scope be expanded to become a bargaining forum — presently it only advises the government.

Cosatu places the responsibility and funding for training on the state and employers. Historically, employers have viewed training as a "cost and not an investment," says Cosatu.

In a recent investigation into training it was found that South Africa spends only two percent of its national budget on training — in other countries, the average is five percent.

Cosatu's training specialist, Adrienne Bird, says unions are pushing for more involvement in planning, implementing and monitoring training. Cosatu is demanding equal union/employer representation on training forums.

Other facets of the resolution are for paid education and training leave for workers and for national industrial certificates. These certificates will enable workers to attain the same grade and pay if they enter another industry.

The document also says "training should continue throughout a worker's life to keep pace of technological change".

Of key importance is Cosatu's stress on the need for vocational training to be wider than artisan-only training and to also make provision for literacy, formal and tertiary education.

Many of these principles have been effected in training agreements which the National Union of Metalworkers of South Africa has recently clinched with employers in the automobile, tyre and engineering sectors.

The parties agreed to set up an Industry and Education Training Board consisting of equal numbers of employer and union representatives. The board will "direct education training to shortages and future industry needs". It will also develop industry training standards and co-ordinate the implementation of adult basic education programmes.

The agreement addresses the effects of past discrimination and makes provision for "affirmative action plans". The parties have agreed to paid training leave for all workers, continually updated training and the portability of skills. Career paths will be set up.

The agreement concluded in the engineering sector is as important because this sector trains most of the workers in the country, says Bird.

But despite these advances, access to technical colleges is limited and recruitment and selection procedures for training are often discriminatory. For example, psychometric tests are used and these are based on the assumption of formal schooling. Also, high entrance requirements — like higher level maths and science
Sactwu human chain highlights crisis

By FERIAL HAFFAJEE

A NATIONAL human chain was formed by 140 000 workers of the South African Clothing and Textile Workers' Union (Sactwu) this week.

Their action highlighted the unions' demands for an end to retrenchments and short-time. A central call during the protest was for the implementation of Value-Added Tax to be postponed.

Sactwu's Shahied Taladja said the protest was a major success but was marred by two incidents.

In Johannesburg, a worker was allegedly run over by a police car and in Cape Town a police helicopter hovered low over picketers in Woodstock and Salt River.

Sactwu members have been hard hit by retrenchments. As many as 10 000 have lost their jobs in the textile and clothing sectors in the past year, says the union's assistant general secretary, Ebrahim Patel.

He added that the disturbing trend in the two sectors was for entire factories to close down. "This decreases the productive capacity of the country and reduces options of re-employment when the recession comes to an end."

The sectors are also increasingly plagued by short-time. Patel estimates that almost half the workforce has been subjected to this measure.

Sactwu's job security campaign rides in tandem with its calls for a national bargaining forum and the restructuring of the industry.

"Strategies for restructuring include extensive training, export-orientation and domestic beneficiation of raw material such as wool," said Patel.
Manufacturers shed thousands of jobs

Down... Employment in the manufacturing industry...

By Derek Tommey

The cure for high inflation is to hold down labour costs, say the pundits.

And this is exactly what manufacturers — the second-largest employer of labour after the public service — are doing, an analysis of the latest wage and employment figures show.

They show that not only have they been reducing their labour complement, but have been keeping increases in wages and salaries well below the inflation rate.

This helps explain the cold breeze retail trade is now feeling.

According to Central Statistical Service's figures, manufacturers' monthly wage bills in the 11 months to May grew by only 4.6 percent, from R2.94 billion to R2.45 billion.

In the same period, the Consumer Price Index rose by around 12 percent.

This means that when adjusted for inflation, manufacturing wages dropped eight percent in real terms between June last year and May this year.

Employment in manufacturing dropped 27 000 to 1.43 million in this period after a wholesale shedding of labour throughout the manufacturing sector.

The food industry shed 3 800 people, the textile industry 3 100, industrial chemicals 1 700, timber 1 200, cement and lime 1 500, metal products 2 800, machinery and equipment 3 500 and motor vehicle assembly 2 500.

Several other sectors shed 500 to 900 people.

It is disturbing to note that the number of people employed in the manufacturing sector at the end of May was only 3 063 higher than in 1983 when, according to Reserve Bank figures, manufacturing employed 1.430 million, and about 40 000 fewer than in 1984, immediately before sanctions and other trade restraints were imposed.

Had manufacturing been able to maintain at least a three percent growth rate in employment in the troubled 1980s, some 700 000 more people would be in jobs today.

Moving to the wages paid in manufacturing, the average was R1 703 a month — an increase of 0.6 percent on the R1 602 paid last July.

The average white wage rose 6.2 percent in this 11-month period from R3 474 to R3 753 and the average coloured wage 6.9 percent from R1 104 to R1 180.

The average Indian wage rose a somewhat exceptional 15.9 percent from R1 476 to R1 702 and the average black wage 1.7 percent from R1 020 to R1 047.

Adjusted for inflation, the average manufacturing wage dropped 6.2 percent, the average white wage 4.5 percent, the average coloured wage 6.25 percent, the average Indian wage 1.5 percent. The average black wage fell 10.5 percent.

These are not particularly pleasant figures for the average worker in manufacturing.

But they hold out considerable hope that South Africa can eventually bring down its high inflation rate.

It shows that some manufacturers are adjusting to the tougher economic conditions and are preparing to be more aggressive and competitive.

If the Government could persuade the public sector that the next wage increase should be in line with those in the private sector, the outlook for curbing inflation would be bright indeed.
Rates remain high to fight unemployment

The high interest rates are normally seen as a method of fighting inflation but the Reserve Bank argues that they are needed to fight unemployment as well, reports RAG RUMMERY.

Indeed, the National Productivity Institute has released statistics which underline the poor productivity performance of capital.

The NPI's productivity statistics show a capital productivity last year declined by 1.8 percent, and labour productivity more or less remained water at 0.1 percent decline. Multi-factor productivity - the trend measure - showed a 0.9 percent decline.

The slow pace of growth in the private sector is pinpointed by the Reserve Bank. Its annual report says the "capital-labour ratio", which shows the substitution of capital for labour, has levelled off in the public sector.

Various causes are mentioned for the phenomenon of buying machines instead of employing people. In particular, "relative price factors" were discussed.

Low and often negative (lower than inflation) interest rates cause the cost of capital in the early and mid-Eighties and during the Seventeen was relatively low.

The average exchange rate of the rand, especially in the early 1980s, was unrealistically high. Tariff policies protected local industries against foreign competition. There were a number of tax allowances designed to encourage capital investment in manufacturing.

At the same time labour costs were less expensive; real wages showed a sharply rising trend because wage settlements generally failed to adequately recognize the relative abundance of unskilled labour.

Unionism, political actions in the trade unions movement, protests, strikes and unrest added to the non-wage cost of labour.

The annual report also comments that it is not surprising that there were considerable subsidies of labour by capital.

Noting high rates of increase in average nominal salaries and wages in the non-agricultural economy, the report says the South African labour market has become increasingly disrupted.

"In contrast to most industrial countries, which have been able to contain wage increases within reasonable limits by decentralising the determination of salary and wage increases, the wage negotiating process in South Africa has become more and more constrained, leading to uncannily high wage settlements."

"Labour unions have mainly been concerned with broader social and political issues, which are not always work-related and often aimed at maximising short-term benefits for the unions' members, but disregarded the long-term effects of each action on labour and unemployment."

"Attempts to close wage differentials based on race and sex also did not take underlying supply and demand conditions into consideration."

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MULTIFACTOR PRODUCTIVITY IN THE PRIVATE NON-AGRICULTURE SECTORS

![Graph showing indices: Labour Productivity, Multifactor Productivity, Capital Productivity](image)

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Boom in black credit demand

BY MOKOAMO MALOYA

CREDIT use by blacks is on the increase and is set to rise even further as retailers continue to tap this market. Rising black wages and higher disposable incomes are the main driving forces of this "new" demand.

According to a group of studies, black household disposable income began increasing in the early 1980s. Tony Leng estimates that real black demand for credit is growing at around 16 percent per year. A big chunk of this has been in home loans, but the main beneficiaries of the growth in credit use have been clothing, furniture and motor sales.

Leng maintains blacks are "severely under-borrowed" and that the next three years will see a big increase in lending to blacks as retailers prepare to capture this market.

At the turn of the black credit boom in the early Eighties retailers often sacrificed credit world-wide for market share and in a result there were many payment defaults and repossessions.

The credit risk regime which blacks have now acquired as a result of these "credit defaults" has been largely unwelcome people have also limited the white business establishment in a quantum leap or in the case of business in general about what black and white are perceived as "credit risks". But on the other hand no business can ignore a market that will be the major focus in the scramble for competitive superiority.

The concept of blacks being credit risk in a myth that needs to be dispelled.

"Black's willingness to repay is much greater than that of other groups. It is related to the white middle class that is increased in debt."

However, Kredienform MD Iver Jones says although blacks generally make good debtors "political developments and recession often cause problems."
Tek Industrials plans further staff cuts

BELEAGUERED printed circuit board (PCB) manufacturer Tek Industrials is cutting staff a further 20%, bringing numbers down from 650 to 300 in two years. MD Wallace Roome says the company, jointly owned by Siemens and Tek Corporation, is in the process of rationalising its manufacturing operation.

"This included rationalising the MSN PCB operation, which became part of Tek Industrials about two years ago. Our major customers are in the tele communications and armaments supply industries, and spending by these two industries has been cut back severely during the past four years.

"The direction of our clients will determine our future. At our present site, it's now financially viable for Tek to service the industry — provided there is no more shrinkage in demand." He says the company no longer exports because its products cannot compete with those from the Far East.

"Fortunately, we are not affected by the growing trend among government entities to open their doors to private sector work; Tek is the only facility of its kind in SA."
Business 'should buy from informal sector'

THEO RAWANA

BUSINESSES should complement schemes to develop entrepreneurs' skills by serving as a market for informal sector products and services, JCI gold and uranium division chairman Kennedy Maxwell said last night.

Addressing the opening of the Matchmaker Services trade fair at Nasrec, Maxwell said the unemployed should be helped to help themselves.

SA needed overseas investors, but these were concerned at the level of instability which reflected the level of unemployment and homelessness in SA, he said.

The annual Matchmaker fair, at which small entrepreneurs exhibit their products and services to big business, was a good example of linkages between the formal and informal sectors as they encouraged sub-contracting.

"The process demonstrates clearly that wealth creation through this 'flow-through' system is the best form of social welfare that can be achieved," Maxwell said.

Investment in education, training and the development of the poorer segment of the SA population was the answer to the question of wealth creation, he added.

The vast number of unemployed should be helped to help themselves. It was in the interests of the formal sector to provide basic skills training to the unemployed, procure goods and services from the informal sector and facilitate this by teaching this sector how to quote, produce and run a business efficiently, Maxwell said.
Cosatu: job talks urgent

VERA VON LIETERS

LARGE-scale job losses in SA's main employment sectors underlined the urgency of negotiations between Cosatu, employers' federation Saccola and government on a coherent approach to ending retrenchments and creating jobs, Cosatu said yesterday, 6/05/94.

The latest Central Statistical Service figures, released this week, show that more than 40 000 workers lost their jobs earlier this year in the four main employment sectors: manufacturing, construction, mining and quarrying, and electricity.

National Union of Metalworkers national secretary Bernie Paranoff said Numsa was demanding a moratorium on retrenchments, and that government negotiate macro-economic policy.
Rising imports may hit 15,000 workers

SIX thousand jobs had been lost and a further 15,000 were threatened as a result of rocketing imports of jerseys and sweaters, the South African Worsted Spinners and Garment Knitters Association claimed yesterday.

At the same time the association called on the authorities to ignore last week's objections by the National Clothing Federation on the latest Board of Trade and Industry (BTI) proposals for restructuring the textile and clothing industries.

The proposals, gazetted in August, include increasing the tariffs on imported textiles and clothing, withdrawing rebates and reducing the incentives for clothing exports.

By siding with the textile industry, known to support the BTI proposals for increased protection, the association had created a major rift in the clothing industry, analysts said.

Association chairman Peter Jacobson said that apart from damaging local businesses and jobs, the duty-free structural adjustment programme had done "horrrendous damage to the fiscus and done nothing to alleviate inflation".

He said "the BTI proposals can be combined with a more meaningful anti-dumping duty which has the teeth to ensure prompt action before irreparable damage is done".
Desperate as recession bites...
Mediation defuses disputes on mines

By FERIAL HAFRAJEE

IN the past two weeks, almost 50 000 mineworkers have been involved in various forms of strike action around the country.

But much of the conflict has been successfully mediated, reflecting management and union concern at the plight of the industry.

At Impala Platinum’s four mines near Rustenburg, full production was resumed on Monday pending wage negotiations between the National Union of Mineworkers (NUM) and Implats’ management.

Go-slow and violence which saw eight miners killed, characterised the last two weeks of industrial action involving 40 000 workers at the mine.

The union is seeking full recognition by management. It has not yet been granted recognition because the mines are based in Bophuthatswana. It is demanding a R62 across-the-board increase.

“At Goldfields’ Doornfontein Mine last week 5 500 workers were dismissed and were reinstated early this week after intense negotiations between management and the NUM.

The mass dismissal came after workers went on strike last Tuesday when mine security and police prevented them from delivering a list of grievances to the mine manager’s office.

Goldfields attempted to link reinstatement to workers’ acceptance of a controversial clause in retrenchment agreements. Rejecting this, the NUM’s Marcel Golding accused them of "buying to secure a cheap retrenchment by firing workers and not honouring a recent agreement between NUM and the Chamber of Mines."

On Tuesday this week, the workers were reinstated after the offending clause was removed. A key feature of the agreement was the establishment of a body to monitor the company’s application of retrenchment criteria.

At Namquaidland’s Black Mountain mine about 1200 workers are on strike for wage increases. An NUM representative this week said workers at Black Mountain are “among the lowest-paid in the country.”

Negotiations deadlocked last week around workers demands for 20 percent across-the-board increases. Workers are also demanding two weeks’ paid compassionate leave, free transport to Transkei and Kuruman, where most the miners workers live, training and family housing.

Golding said there was a groundswell of resistance among mineworkers but opposed the view that it ran counter to the recent historic NUM-Chamber wage agreement. At the time NUM was hailed for its “pragmatic” stance when it negotiated productivity based increases for the first time.

He said strikes remained “a legitimate course of action for miners where management’s action is unacceptable.”
Measures aimed at ‘kick-starting’ upswing

Unemployed get R400-m pay bonanza

FRANS ESTERHUYSE

CAPE TOWN — More than R400 million will be paid out in wages and salaries to jobless people drawn into projects to be launched under the Government’s new R1 billion socio-economic relief plan.

The plan, financed from the proceeds of Government sales of strategic oil reserves, is in effect an economic first-aid measure seeking to rescue South Africa from a further slide into violence and instability.

One of the main aims is to relieve the country’s growing crisis of unemployment and extreme poverty.

Government sources said State departments had been instructed to launch the projects as soon as possible. Most of them are expected to be up and running by the end of this financial year.

The sources confirm that the plan is also designed to “kick-start” the country’s economy towards the promised upturn. This is being done by involving the private sector and local communities in a wide range of projects for urgently needed socio-economic development — with emphasis on ensuring social stability and creating a climate for investment.

The key man in the implementation of the plan is Dr Dawie de Villiers, Minister of Economic Co-ordination and Public Enterprises, who heads a Cabinet committee with special responsibility for managing the scheme.

Announcing the plan this week, Dr de Villiers said 867 projects had been approved at a cost of more than R1 billion. This represents employment for about 59,000 people over an average period of 15 months.

The projects include the construction of thousands of classrooms and housing sites and centres for the underprivileged.

“The Government is seriously concerned about the extent of unemployment in South Africa and the hardship that accompanies it,” de Villiers said.

Also of serious concern to the Government is the threat of more violence, crime and social instability as a result of economic decline.

Some R32.4 million has therefore been allocated to security services. This amount is earmarked for the construction of 59 satellite police stations and 250 police contact points.

Ernst van Eek, an economist at the Department of Economic Co-ordination who is involved in the management of the plan, said a specific instruction had gone out that as many jobless people as possible had to be employed in projects launched under the scheme.

At the same time, the need for community involvement was being emphasised. Community organisations were being encouraged to accept responsibility for self-help schemes once basic facilities had been provided.

Guidelines issued by the Government for the selection of special projects focus largely on creating jobs and job opportunities, economic growth and social stability and order.

One of the guidelines states that the projects “must make a contribution to the relief of the country’s economic and social problems within a fairly short period of time”. And the greatest possible community involvement was called for in the identification of projects.

Tight control is being exercised over the spending of the R1 billion. Final allocations were approved by the Cabinet according to a priority list and all the projects are to be monitored, with six-monthly progress reports to the Cabinet.

Government departments and administrations involved in the scheme are required to Parliament for the way the money is used. Should there be a drastic deviation from undertakings in a particular project, the allocation of further funds may be cut.
TO BLOW

NEW TAX PROMISES TO PUSH MORE SOUTH AFRICANS INTO UNEMPLOYMENT
VALUE Added Tax — to be enforced in two weeks — threatens to push as many as a million more people into unemployment in the next 12 months.

And it is predicted that hundreds of small businesses face hard times. School leavers and returning exiles will fail to find jobs as a result of the new tax system.

This bombshell forecast was dropped last night by Mr. Theo Rudman, director of the Cape-based Self-Employment Institute and an expert on the effects of VAT.

He said that accounting firms had reported this week that hundreds of small businesses have failed to register for VAT because their turnover is below the required minimum of R150 000 a year.

Some applied to be registered, however, because their turnover may grow and they could collect input credits if they were registered as vendors.

Mr Rudman, an authority on training for small businesses, said a number of big companies were taking a tough stance with small suppliers and sub-contractors who had not registered.

A big mining company, for example, sent a letter to suppliers saying they were required to be registered as vendors for VAT, because the company would not deal with the unregistered.

The reason was because the companies would need two systems — for those who could and those who could not claim input credits.

"The prices of their goods will go up if they cannot claim inputs from people who are unregistered," said Mr Rudman.

"Clearly, if they have not registered, small firms may be discriminated against from a policy of not buying from a business with turnover of less than R150 000."

In reality, big business should be supportive of small firms by paying them more quickly than usual. In practice, some major companies delayed payments in the knowledge the small fry could not afford to sue for payment.

If the small firms lost orders, some would go out of business and others would have to retrench staff.

If only 20 percent of the people employed in small businesses were retrenched as a result, that could amount to 650 000 in the next 12 months.

"We can expect to have 350 000 school leavers at the year-end. Only 40 percent obtained jobs last year and this year only 20 percent might find employment."

The number of returning exiles could be as many as 80 000 and they would be in the same position as retrenched people; they had played a part in the liberation struggle and expected to obtain work.

"Big companies should be doing all it can to support small businesses. They will be in trouble if there is another million unemployed in the next 12 months."

About 20 000 jobs in the clothing industry — most of them in the Western Cape — are at great risk and many small firms could be put out of business by new tariff proposals, says Mr Aaron Searl, president-elect of the National Clothing Federation.

Higher tariffs would push up the price of imported clothes, yarns and fabrics.

The duties will add about 30 percent to shop prices and send South African clothing beyond the reach of the average consumer, according to federation calculations.
Rioted Pact Workers reinstated by court
TGWU on the march

Transport and General Workers Union members marched in Johannesburg this week in the ongoing dispute with Sun Couriers.

The union alleges that management locked out workers and continues to employ strike breakers contrary to an agreement it concluded with the union last month. This agreement ended a 10-day strike at the company.

About 100 workers who were reinstated according to the agreement were locked out of the company and have not been taken back, TGWU alleges. It said 500 of the workers had been selectively reinstated.
Pact must reinstate workers

The workers at the Blackpool plant of the former Unicorn Pottery, which is now European Ceramics, have won their case in the Industrial Court. The court has ordered the company to reinstate the workers who were dismissed in 1991.

The Industrial Court ruled that the workers were dismissed unfairly. The company had claimed that the workers had been dismissed for misconduct, but the court found that the company had failed to prove this claim.

The court also ordered the company to pay the workers their lost wages and other compensation.

The workers had been employed by the company for over 20 years before they were dismissed. They had worked on a variety of tasks, including design, production, and quality control.

The company had claimed that the workers had been dismissed for failing to follow a new dress code. However, the court found that the dress code was not properly enforced and that the workers had not been given a chance to comply with it.

The court also found that the company had failed to provide the workers with a fair hearing before dismissing them. The company had not given the workers a chance to present their case before they were dismissed.

The workers have been awarded £25,000 in compensation and have been reinstated to their jobs.

The company has announced that it will appeal the ruling.

The Industrial Court has also ordered the company to pay the workers' legal costs.
Out-of-control jobless threat

By DON ROBERTSON and IAN SMITH

Unmanageable unemployment is in store in 1994-95 unless the promised economic upswing next year lasts longer than any other in the past 20.

This is the view of Bankorp economist Nick Barnard, quoted by labour consultant Andrew Levy & Associates in a report on retrenchment.

Levy & Associates says the feature of the past five years and contemplated legislation could make retrenchment more difficult and expensive for employers.

Bankorp says: “An expected decline of 80,000 job opportunities this year and growth last year, the return of thousands of political collys and an increase of 60,000 in the domestic labour force means that unemployment at the end of 1992 could be 700,00 higher than in 1990.”

This week was marked by closure of the Crocodile River platinum mine with the loss of 1,200 jobs, production cuts at Lorraine gold mine at a cost of 1,000 jobs, cancellation of a shaft at Windelbaak gold mine, and Frame Group’s retrenchment of 1,100 workers after it closed its East London spinning mill.

Formal

Gold mines, which have cut employment by 80,000 in 18 months, are not out of the woods. Many job losses among mine suppliers have still to filter through. The weak gold price puts yet more jobs at risk.

Levy & Associates say Andrew Levy says traditionally there are two “waves” of retrenchment each year— one at the beginning, the other in the middle.

“In the last couple of weeks however, we have seen a resurgence of retrenchments as businesses are having to cut deeper. There are also more clerical and professional people losing jobs.”

Formal employment in the non-farming sector fell by 8,5% for the whole of last year. But manufacturing employment fell 2% in the first four months of this year.

Figures of total unemployment are notoriously inaccurate. But Bankorp says that by the end of 1995 about 5 million adults were out of work. Poor growth running into next year means that unemployment will worsen.

“The lost generation can grow by 80,000 in just two years and could become a time-bomb which can seriously damage civilised society and the success of political democratisation in SA.”

Job losses are not confined

Skilled

In the first half of this year, 25,000 workers lost their jobs. The total for the year is likely to be 26,000, many of them professionals and skilled staff. More than 25,000 workers were laid off in the previous two years.

Economists say the figures show only the tip of the iceberg. Many small companies which fire staff or close their doors are not members of national organisations and do not report job losses.

Azar Janmohamed, of economic think-tank Economics, says the biggest danger of soaring unemployment, particularly in political change, is that the Government could be tempted to boost spending to revitalize the economy.
PRETORIA. — The Unemployment Insurance Fund paid out a record R803 million in benefits in the first eight months of the year — a 45% increase on the R553m payout in January-August last year.

The payment of more than R100m a month is by far the highest in the fund's 45-year history.

Unemployment insurance commissioner Mr Jack Scheepers said the fund received an average of 64,000 new applications in each of the eight months.

W Cape job market 'grim' — Page 7
EMBALENHLE father-of-two Ben Masilela lost his job and his house after being accused by the Secunda Town Council of taking part in an illegal strike while he was on sick leave.

Masilela was this week waiting to be evicted from the house he owned when the Secunda Town Council strike started last May.

After losing his job as a bricklayer because of accusations by the council that he "dismissed himself" by joining the strike, Masilela could not keep up his bond instalments and his house was repossessed.

"I have nowhere to go. The bank told me they had instructed the police to evict me from my house, so I am just waiting for them to come," a desperate Masilela told City Press.

He tried to get legal help to fight his dismissal, but by the time he came to City Press, a year and a half after the dismissal and on the point of losing his home, no progress had been made.

Masilela first instructed Phalafala Legal Cost Assistance to help him get his job back.

"By November I could not keep up my house repayments and his bond account fell into arrears. The bank repossessed his house and resold it in January this year. The new owner has started eviction proceedings.

"I lost my job over something which had nothing to do with me. Now I have lost my home as well. It is very wrong when things like this happen in our country," Masilela said.
Gold Fields fires 822

GOLD FIELDS of SA fired 822 workers at the Black Mountain mine in Namaqualand on Monday, ending a month-long pay strike. Most of the workers were sent back to work. Among those fired was NUM regional chairman Jackson Quite. The company could not be reached for comment.
Audiobuild slashes jobs at ailing Buildcor

ELECTRONICS-listed Audiobuild Holdings, which reduced its losses in the year to end-February to R6,8m (previously a loss of R39m), has rationalised the Buildcor division's production facilities and re-trenched almost 50% of its workforce.

Buildcor lost R19m as the prolonged downturn in the building industry knocked down volumes and margins.

The rationalisation programme will consolidate seven door and frame factories into one factory at Wadeville.

Although turnover soared to R184m (R68m), hefty increases in the interest bill to R9,3m (R1,8m) prevented this reaching bottom line in the period under review.

No dividend was declared.

Audiobuild financial director Martin Capper attributed the increase in interest-bearing debt (R35m) to increased working capital requirements following the acquisition of door manufacturer Bruply from PG Glass, the cost of re-locating Bruply from Boksburg to Wadeville and trading losses.

Directors believe Buildcor is now in a position to operate profitably and attention is being given to the high level of debt.

MARC HASENFUSS

Manufacturer and distributor of low-cost radios and hi-fi equipment Audiocor posted a net profit of R11,3m (R7,8m).

Audiocor was adversely affected by retrenchments in the mining sector, consumer boycotts and the economic downturn in the period under review.

Directors expect the division to make a reduced contribution to the group in 1992.

Holding company Abacus Industrial Holdings reported a loss of R6,4m (R15,7m).

Caution

The inclusion of an extraordinary item, relating to profit on disposal of a subsidiary, over provision and restitution of funds and assets, reduced losses to R26 000.

Audiobuild and Abacus reminded shareholders to exercise caution as both groups were still involved in negotiations.

Audiobuild is currently at 70c just above last month's low of 66c while Abacus stands at 20c after a 15c low earlier in the month.
Defence cuts cost 50,000 jobs

RECENT cuts in the defence budget have cost SA up to 50,000 jobs, many of them highly skilled, and could retard industrial development while damaging a potentially lucrative international arms export market, a leading local analyst says.

Jane's Defence Weekly SA correspondent Helmoed-Römer Heitman says the SA industry has been phased in slowly to allow development of arms exports and for Armscor to convert its expertise to commercial applications.

The bulk of a 30% defence cut over two years has been absorbed by the arms manufacturing sector, inhibiting its adaptation to the commercial sector, he says.

The defence budget has been slashed R3,8bn in real terms since 1989. Armscor has retrenched more than 10,000 people, and its major contractors have laid off about 25,000 employees.

The job losses and forced rationalisation in the arms sector will severely curtail SA's industrial capability and expertise, Heitman says.

Leading electronic and engineering technology developed for military applications will be wasted.

Heitman says the defence industry will “die” if it does not continue to get contracts from the SADF.

A steady flow of local orders could keep Armscor alive long enough to convert technology for commercial use and establish an international market.

Weapons and armaments are SA's biggest export of manufactured goods, says Armscor, which last week held its first SA weapons demonstration, primarily for foreign customers.

Armscor spokesman confidently predicted last week the demonstration would lead to a marked improvement of international sales, making a significant contribution to a national economic recovery.

Spokesmen at the show maintained Armscor's tradition of silence about SA arms sales and customers, but Heitman says Middle East and African countries have expressed interest.

The G6 155mm self-propelled artillery system was acknowledged as the best in the world, and the Rooivalk combat helicopter competed with the US Apache.

He believes the Rooikat armoured combat reconnaissance vehicle is a class leader with only one competitor internationally, and that SA-made missiles are among world leaders.

Seventy G6 systems have been sold to the United Arab Emirates, and the success of the G6 in Turkish artillery trials recently means that Turkey could be placing an initial order of up to 290 units, Heitman says.
Job market badly hit by defence cuts

Own Correspondent

JOHANNESBURG. — Recent cuts in the defence budget have cost South Africa up to 50,000 jobs, many of them highly skilled, and could retard industrial development while damaging a potentially lucrative international arms-export market, a leading local analyst says.

Jane's Defence Weekly's SA correspondent, Mr. Helmoed-Römer Heitman, says the defence cuts should have been phased in slowly to allow development of arms-export markets and for Armsscor to convert its expertise to commercial applications.

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Workers fired after stayaway

ABOUT 200 workers employed by Crown Cork in Alrodé have been dismissed for participating in a two-day work stayaway last week.

The work stayaway was called to protest against the violence on the Reef.

A spokesman for the workers said he and his colleagues heeded the stayaway call because "it is always not safe to go to work" during such an action.

"We notified management about our fears hoping that they would understand our plight," the spokesman said.

Mr Terry Terblanche, acting plant manager, said the dismissals were due to an illegal strike action and the employees' refusal to use the agreed laid-down dispute-settling procedures.
Natal building firms hit by strike action

LABOUR strife has hit the Natal building industry following disagreement between employers and the workers over pension pay-outs on retrenchments.

Mr Bhaki Khumalo, general secretary of the Black Allied Workers' Union, of whom about 1000 members are on strike at three plants in Durban, said yesterday that the union would be meeting other unions in the industry at the weekend to discuss this.

Construction plants that were affected by the strike are LTA Construction, Aquila Construction and Aciel-Beton Construction, he said.

Khumalo said there were widespread retrenchments in the building industry and workers were not paid their pension when they were retrenched.

Instead they were told to wait for periods of five years, he said.

Strikers at Aquila Construction were served with an Industrial Court order yesterday preventing them, among other things, from intimidating other workers, he said.

Workers had been dismissed at LTA Construction and Aquila Construction.

Khumalo said that the union would challenge the dismissals in court.

A spokesman for LTA Construction was not available for comment and a partner at Aquila, Mr G Reardon confirmed yesterday that they had fired all the workers as he could not make any sense of their demand.

Aciel-Beton Construction's managing director, Mr Malcolm Lawton was not available for comment.

The strike by workers at Aciel-Beton has delayed the finishing touches to the new R2.7-million junior primary school at Durban's Girl's College, which was to be officially opened on Old Girls' Day this Saturday.
Making a Living... Alex Style

Ever thought about how business comes second. Running a business is an integral part of development. Wealthy nations support the idea of job creation. In South Africa, jobs and education are explained. Jobs will become more difficult. The education system needs to evolve with the world. Economic challenges are job opportunities. Jobs can be done in a variety of ways. Education and skill development are key. The economy is in jeopardy.

EDU: DON SECKANE
HUNDREDS of retrenched Sasol workers are about to lose their houses in Sebokeng, Evaton and other Vaal townships because they have lost their company housing subsidies along with their jobs.

Most of the workers only moved into their new houses in the past year, after being encouraged by the State-owned oil-from-coal corporation to buy houses through building societies. But Sasol stopped granting 100 percent subsidies from this month.

Most of the group of 30 who came to City Press for help have lived in their houses for less than a year — some for as little as three months.

They have bonds of about R35 000 with a variety of banks and their monthly repayments are about R600 a month. Most of the workers got Sasol subsidies of between R400 and R500 a month. From this month most of them will not be able to pay their bonds.

More than 700 workers were retrenched at Sasol's Vereeniging plant, and workers accuse the company of reducing staff to enable it to contract out essential work such as maintenance.

Some of the retrenched workers have apparently been re-employed by the private contractors and are back at Sasol doing their old jobs for lower wages and no benefits.

Retrenched workers this week told City Press of the additional trauma of losing their homes as well as their jobs.

Assistant Father Josias Koalepe only moved into his Sebokeng house in May. Four months later he was retrenched and has no prospects of another job. His bond repayment is R638 a month and with his R500 Sasol subsidy he managed comfortably to pay R138 for his R35 000 house. Now he stands to lose it.

As a breadwinner with three schoolgoing children his meagre retrenchment package will barely keep the family in food and other essentials. There is simply no money to pay the bond.

"Why did Sasol encourage us to buy houses if they knew they would retrench us?" Last year, Sasol personnel officers gave pamphlets to all the workers saying we should buy houses before September 1991. We did as they advised us, only to find that four months after moving into the first proper house I have ever had, I am going to lose it. This is a very bitter pill to swallow,‖ Koalepe told City Press.

Rig assistant Vuyani Katiya has lived in his house for just over a year and also has no hope of keeping it now that he has lost his job.

“My wife is not working because she is just about to have a baby. We have one other child of five years old and we really thought that with a decent house, we could now have another child. We had no idea that Sasol would retrench us. We were shocked on September 17 when we were told to go,” he said.

Labourer Andrew Masoka said he took Sasol’s invitation to workers to apply for subsidies to mean they were assured of their jobs for the future.

“How can they give us housing subsidies with one hand and take away our jobs with the other?” Vaal Civic Association chairman Malik Madise says the issue is of great concern to the VCA.

“We are totally against homelessness and this policy of linking houses to jobs is one which creates homelessness. We are contacting the financial institutions for an urgent meeting to discuss the implications for homeowners of these massive retrenchments.”
Sowing seeds of business must start at home

RAPIDLY RISING unemployment, especially among the youth, is focusing increasing attention on creating self-employment opportunities in the small and informal business sector.

But while most initiatives concentrate on adults, the Institute for Small Business at the University of the Western Cape believes it is equally important to introduce school pupils to the world of making their own living in society, now and in the post-apartheid era.

Just a glance at the statistics gives an indication of the scope of the problem.

According to the institute, between 430 000 and 500 000 new jobs are needed a year. But South Africa’s economic stagnation since the 1970s has made it increasingly difficult for the formal economy to create enough jobs for the country’s rapidly rising population.

Indeed, many firms have instead been shedding jobs and estimates of the unemployed vary between six and seven million people.

South Africa’s population is also heavily skewed towards the youth and it is estimated that in 1989, for example, 57 percent of black and 69 percent of coloured unemployed people were under the age of 30.

Despite this, school leavers generally have unrealistically high expectations about easily being able to step into high paying, white-collar positions in commerce and industry once they leave school.

They are just not prepared for the fact that it will be very difficult to get ANY kind of job, if at all.

“These changing circumstances have not been sufficiently addressed by schools and tertiary institutions — they continue to train students as if an unlimited number of work opportunities exist,” says the institute’s Kobus Visser.

To address this situation, the institute launched what it called a “proactive effort” to sow the seeds of entrepreneurship amongst high school pupils, so influencing their career decisions from an early stage.

Dubbed “Access to Success”, the programme aims to “expose and awaken the entrepreneurial potential of economically disadvantaged high school pupils to the kinds of decisions which need to be taken in business”.

Based on the American “Enterprise Sandwich Shops” programme, it involves a computer programme that asks pupils to make various business decisions, opening up the way for general discussion on the role and function of small business, pricing, marketing, production management, information processing, retailing and management decision-making.

In the programme, the marketplace is composed of four small firms producing and selling identical products. Pupils, operating as teams, act as managers in making decisions that affect their “businesses”.

The programme then evaluates the pupils’ input, presents feedback in the form of printouts and makes the simulated marketplace react realistically.

Seven schools close to UWC were selected. The idea was that four teams of four pupils each would be selected by a liaison teacher from each school.

Only Std 8 and Std 9 pupils were to be involved and teachers were asked not to select only the brightest pupils they had, as it was hoped to also motivate those who were not doing well but who had the potential to benefit from the programme.

There was a degree of apathy and lack of commitment on the part of pupils, some of whom were highly politicised and deeply involved elsewhere, while others were distracted by sports and other school activities.

Only four schools completed the month-long programme, some of whom reported that progress had initially been hampered, with team members acting in their own interest rather than that of the group. Nevertheless they learned about the benefits of co-operation and majority decision-making the hard way.
Lack of jobs is cause of crime

UNEMPLOYMENT has driven most township youths into crime and gangsterism, Mx. Steve Mokoena, a researcher at the University of the Witwatersrand, said yesterday.

Mokoena was a guest on the Soweto Radio Metro Face the Nation Talkback Show.

Mokoena spoke on the culture of violence engulfing the country.

Answering a question from Charles, who called from Beisa, Mokoena said youths felt at home when they belonged to gangs.

"Unemployed youths identify with gangs because they want to be 'gangsters'.

"Young blacks have role models, who have not been educated, they can relate to. They find some educated people as being just ordinary."

On the question of violence caused by political intolerance, Mokoena said there were situations where residents in some communities had been coerced into joining a dominant organisation.

He gave as an example the political rivalry at Bekkersdal and said:

"What happened in Bekkersdal is an example of violence caused by political intolerance."

Mokoena said there was also a marked increase in domestic violence.
Huge Jobs Shortage Predicted

Day Monday, September 30 1991

For many, the years between 1989 and 1999 will be a time of mixed feelings and fears. The economy, which has been strong since the early 1980s, is expected to slow down in the next few years. This slowdown will affect many industries, including manufacturing, construction, and retail.

The unemployment rate is expected to increase from 6.5% to 7.5% in 1990, and then to 8.0% by 1991. This means that there will be more jobs available, but also more people looking for work.

The education system will have to adapt to these changes. More emphasis will be placed on vocational training and job skills. The demand for skilled workers will increase, while the demand for unskilled workers will decrease.

The government will have to consider new ways to stimulate the economy. This could include increasing government spending or implementing tax cuts.

For those who are looking for work, it will be important to stay informed about the job market and to develop new skills. For those who are currently working, it will be important to continue their education and to stay up-to-date with the latest industry trends.

Overall, the next few years will be challenging, but also full of opportunities. With careful planning and hard work, individuals can find success in this changing economy.
Jobless nightmare

Weekend Argus

The weekend Argus has disclosed that the South African National Union of Commercial Property Employees (SANCOP) is preparing a briefing to its members for a countrywide strike later this month over wage negotiations.

The Confederal Council of Trade Unions (CCTU) said that the union was set to meet with the Department of Labour to determine the implications of the strike.

The CCTU, which represents more than 300,000 workers, is warning that the strike will affect all sectors of the economy, including manufacturing, mining, and construction.

The union said that the current wage offer by employers is not enough to meet the growing demand for fair wages and better working conditions.

The union is calling on all workers to join the strike to demand a better deal from employers.

The CCTU added that the strike would continue until a satisfactory agreement is reached.

The union has also called on the government to intervene and find a solution to the current wage dispute.

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The CCTU added that the strike would continue until a satisfactory agreement is reached.

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Labour told it has key to employment

SHARON WOOD

THE problem of high unemployment would only be solved if labour made realistic wage demands, Reserve Bank Deputy Governor Jaap Meijer said yesterday.

Meijer added that the problem with the trend towards higher capital intensity projects in preference to labour-type projects would only be solved by increasing the cost of capital and reducing the cost of labour.

Speaking at a seminar hosted by the SA Institute of International Affairs, Sabie and the Economic Society in Johannesburg, Meijer said existing high interest rates and high real wages were not the answer, because they would send companies into bankruptcy.

Redistribution was urgently needed, but it had to be done in the right way, he said. A "caring society" was needed to supplement realistic wages.

Redistribution based on unrealistic wages would either not succeed or would be inflationary.

Meijer criticised the Columbus stainless steel project, saying it was extremely capital intensive and "capital wasteful" and other labour intensive projects would be preferred.

JCI economist Ronnie Bethlehem said the First World sector should be given the inducement to save, rather than punished for 40 years of spending.

"But if redistribution is left up to the market place, it will judge labour very severely and inequality and poverty may be aggravated rather than alleviated."

Meijer said the first thing needed to get the economy on track was to reduce inflation, which would encourage financial planning and saving.

"We are getting the better of inflation, if we can believe the latest producer price index," he said.

Deeply rooted inflationary expectations had to be uprooted.
DBSA looks at the jobless

ONLY 135 of the estimated 1 000 people who came onto the job market daily were accommodated in the formal economy during the past four years, according to new data published by the Development Bank of Southern Africa (DBSA).

The DBSA publication, which provides comparative information on the nine developmental regions into which SA was demarcated in 1992, emphasises the alarming trend in unemployment over the past few decades.

The economy's capacity to absorb new job seekers declined from 73.6% of the new labour market in 1970 to 12.3% in 1989, the publication shows.

While new opportunities were created in the informal sector as it was deregulated, the future growth of this sector would be heavily dependent on the formal sector, it says.

The publication also provides updated information on population, health, education, production, income and expenditure and living standards in each of the nine regions, which include the TBVC states and the self-governing territories.

It highlights high population growth rates, future population growth potential, rapid urbanisation, inadequate education, inter-regional migration patterns, low economic growth, skewed income distribution and levels of human development.

Apart from contrasting socio-economic conditions in the various development regions, the publication also provides information on the structural socio-economic changes which occurred in these regions over the past 30 years.

DBSA chairman and CEO Simon Brand said yesterday the publication would provide the bank and other interested parties with an updated perspective on the development challenges which faced each region.

Reliable information on current issues would also facilitate an informed public debate on regional development, he said.

Brand said it was coincidental that the publication followed shortly on the release of the NP's constitutional proposals, in which a strong tier of regional government based on the existing development regions featured.

DBSA GM André le Grange said that measures needed to address SA's high unemployment included economic growth, greater support of the informal sector, restructuring and new development projects to ensure the creation of longer term opportunities.
Under 10% found jobs

By BARRY STREEK
Political Staff

SHOCK new unemployment statistics released yesterday by the Development Bank of Southern Africa show that over the past five years only 84 out of every 1,000 people entering the labour market actually found jobs.

Only 8.4% of the 390,000 people who entered the job market found jobs between 1985 and 1990, a dramatic decline from 86% in the early '60s and 49% in the early '70s.

The DBSA study found that the percentage of economically active people without jobs in the formal sector had increased from 23% in 1974 to 42% in 1989. But 29% had become self-employed in the informal/subsistence sectors, leaving 13% unemployed.

The PWV region could give formal jobs to 59% of its labour force and the Western Cape could employ 57%, but the Northern Transvaal region was able to provide only 22% with jobs.

Mr Andre le Grange, one of the bank's general managers, said: "It is not a product of sanctions, it is a trend for 30 years." The basic performance of the economy had to be addressed. The informal sector was still heavily dependent on the formal sector.

Macro issues, such as monetary and fiscal policies, and micro issues, such as the promotion of labour-intensive instead of capital-intensive projects, also had to be addressed.

The study found that the Gross Domestic Product (GDP) per person in South Africa had declined in real terms from R3,531 in 1970 to R3,265 in 1989.

Nearly 30% of the population was totally illiterate and another 38% was probably functionally illiterate.

The population had increased at a rate of 2.8% from below 22 million in 1970 to over 37 million in 1989, while the average annual economic growth rate had declined from 3.2% in the '70s to 1.6% in the '80s.
Skilled worker crisis forecast

By Helen Grange
Pretoria Bureau

The shortage of executive and skilled workers in South Africa was expected to reach 921,000 by the year 2005, a report by the Bureau of Market Research at the University of South Africa has predicted.

By contrast, there would be no jobs in the formal sector for between 7,335 million and 11,576 million semi and unskilled workers by 2005, the report states.

By implication, about 57 percent, or just more than half, of the labour force would have to earn a living in the informal sector or be unemployed.

The report says the labour market will be expanded largely by blacks between the years 2000 and 2005.

This would decrease the white share of the market to 12 percent while blacks would have 75 percent of the market share.

This change would be the result of a sharp decline in the growth rate of the white male labour force as opposed to a steep increase in the black male labour force.

**Job creation**

"These growth rate differences in the elements of the labour force have major implications in the spheres of job creation and unemployment..."

"As whites and Asians are responsible for 97 percent of job creation in the formal sector, this sharp drop in the ratio of black to white workers will make it increasingly difficult to provide work for new entrants in the formal sector," the report says.

Another prediction made is that the years spent in retirement by both black and white workers will lengthen because of extended average life expectancy rates.

This meant that in 2005, an average white male would have to earn enough during his average 38 years in the labour force to make provision for the 16 years he would not be earning an income.

The report further states that the South African labour force is expected to total 20,2 million in 2005, with between 450,000 and 510,000 people entering the market annually.

Women's share of the labour market is expected to rise from 23 percent in 1980 to 32 percent in 2005.
New studies by the Development Bank of Southern Africa (DBSA) into the sharp contrasts in the economic profile of each region have drawn a grim scenario of the challenges to be faced at the dawn of the post-apartheid era.

Among the worst problems that have been underlined in a special report entitled "South Africa: an inter-regional profile" is the bleak outlook for job-hunters unless the economic wheels turn a lot faster.

What has especially alarmed DBSA chief executive Dr Simon Brand is the dramatic shrinkage in the employment opportunities offered by companies in the formal business sector in recent years — "falling dangerously and rapidly".

Back in the 1960s they had no trouble in absorbing as many as 730 out of every 1000 school-leavers. Over the past four years, with the economic tempo at a crawl, they have found room for only 125 in every 1000 of the 300 000 to 400 000 new-comers streaming into the labour market each year.

Population explosion and economic stagnation cannot wholly be blamed. There is an increasing tendency among employers to use machines rather than manpower to escape the risks of labour unrest and higher wage demands.

The researchers have worked out that the economic growth rate — struggling to stay above zero at the moment — would need to boost ahead by a formidable 7 percent a year to create the jobs needed to keep pace with the school exodus.

The brutal reality was that the economy would be hard-pressed to attain even a 2 percent growth rate — and still do no more than create jobs for only 2 percent of school-leavers, without making a dent on existing unemployment.

The bulk of job-hunters face the option of semi-permanent migration in search of work, scraping a survival from subsistence farming, or joining the growing informal sector, 80 percent of which is struggling along on a monthly income of less than R660 each — no better than a minimum living level.

And the bank has found that the number of workers flocking to the urban areas to escape unemployment has outnumbered the actual jobs available by more than three to one.

The unemployment problem is compounded by the failures of the education system. On the most recent count, the number of South Africans who had received no education whatsoever stood at a staggering 11 million — almost one in every three.

It comes as no surprise that average living standards have been falling. One indicator of trends in the quality of life is national gross domestic product broken down into a head count that allows for the population explosion. It shows that when inflation is put on one side, GDP per capita shrank from R5 531 in 1970 to R3 265 by 1989.

A start has been made to reduce the uneven distribution of income on a racial basis.

For example, between 1970 and 1987 the white share of total personal disposable income was sliced from 69 percent to 37 percent. The share of the black population grew from 22,3 percent to 31,3 percent. Asian and coloured families also increased their share. "Clearly," says the DBSA, "the changes under way in the political sphere will direct attention towards the extent of these inequalities and give rise to intensified programmes for rectifying the situation."

Poverty has already made its tragic mark. In 1963 the infant mortality rate in South Africa was 70 in every 1 000 births, the fourth highest in the world.

What's to be done? The challenges, says the Development Bank, can to a large degree be encompassed in a single aim — the alleviation of poverty.

The more equal distribution of income and wealth resulting from programmes aimed at ensuring equitable access to the economy and economic empowerment should in large measure come about through a strong emphasis on investment in poor people who have not reaped the benefits of economic growth and development," it says.

New strategies could consider:

- A more appropriate set of regional development policies.
- An emphasis on economic growth and development based on human potential and promoting human dignity.
- Facilitating growth based on the expansion of the domestic market.
- Emphasis on efficient resource allocation in both the private and public sectors.
- Strong emphasis on the upgrading of deprived urban areas and informal settlements.
- Creating adequate but affordable social and physical infrastructure.
- Designing a macro-policy framework to facilitate more efficient production, individual initiative and social stability through public intervention.
- Land reform to address the skewed distribution of land ownership.
- Devolution of decisions and responsibility to grassroots levels.
- Redirection of public expenditure to basic human needs, such as education, on a non-discriminatory basis.
- "Humanisation" of all policies having an impact on development.
- Strong emphasis on employment creation and income generation by addressing especially institutional and financial constraints.
Outlook bleak for SA job-hunters — report

MICHAEL CHESTER

JOHANNESBURG. — New studies by the Development Bank of Southern Africa into the sharp contrasts in the economic profile of each region have drawn a grim scenario of the challenges to be faced at the dawn of the post-apartheid era.

Among the worst problems that have been underlined in a special report entitled "South Africa: An inter-regional profile" is the bleak outlook for job-hunters unless the economic wheels turn a lot faster.

What has especially alarmed DBSA chief executive Dr Simon Brand has been the dramatic shrinkage in the employment opportunities offered by companies in the formal business sector in recent years — "failing dangerously and rapidly".

Back in the 1960s they had no trouble in absorbing as many as 736 out of every 1,000 school-leavers.

Over the past four years, with the economic tempo at a crawl, they have found room for only 125 in every 1,000 of the 300,000 to 400,000 newcomers streaming into the labour market each year.

The blame, according to the bank, cannot all be carried by the combination of a population explosion and economic stagnation.

The researchers have also been disturbed by evidence of an increasing tendency among employers to use more capital-intensive production methods — machines rather than manpower — to escape the risks of labour unrest and higher wage demands.

The researchers have worked out that the economic growth rate — struggling to stay above zero at the moment — would need to bound ahead by a formidable seven percent a year to create the jobs needed to keep pace with the school exodus.

The brutal reality was that the economy would be hard-pressed to attain even a two percent growth rate — and still do no more that create jobs for only 29 percent of school-leavers, without making a dent on existing unemployment.

So the bulk of job-hunters face the option of semi-permanent migration in search of work, scraping a survival from subsistence farming, or joining the growing informal sector.

Life for workers in the informal sector can be hard going. The bank estimates that 89 percent of them are struggling along on monthly incomes of less than R650, no better than a minimum living level.

Reading for the cities may not solve the problem. The bank has found that the number of workers flocking to the urban areas to escape unemployment have outnumbered the actual jobs available by more than three to one.

The unemployment problem is compounded by the failures of the education system in the past.

On the most recent count, the number of South Africans who had received no education whatsoever stood at a staggering 11 million, almost one in every three. The only consolation was that the total had at least been trimmed from the 12 million peak that was touched 10 years ago.

The bank lays the blame for the massive scale of illiteracy, particularly in peripheral rural areas, on a combination of factors: the lack of education facilities, little or no transport, the cost of school bills, or family cash shortages that rule out the chance of a place in the classroom for the children.

It comes as no surprise that average living standards have been falling. One indicator of trends in the quality of life is national gross domestic product broken down into a head count that allows for the population explosion. It shows that when inflation is put on one side, GDP per capita shrank from R531 in 1970 to R285 by 1989.
Spotslight on Jobs crisis

BUSINESS SOUTH 25

SEARCHING FOR OPPORTUNITIES: SBDCC Regional General Manager Wolfgang Thomas, left, will deliver at the Cape Town Seminar this week.

The seminar was made possible with support from the provincial government and the business community.

Small business support groups are in operation, as are the small business development funds.

The seminar, which is expected to attract over 100 small business owners, will focus on improving skills and knowledge, and will be held at the Provincial Library.

The seminar will feature presentations from experts in the field, including business consultants and government officials.

The seminar is part of a larger initiative to support small businesses in the region.

A continuing education program is needed to meet the needs of small businesses in the region.
Atlas to axe a quarter of its staff

ARMSCOR subsidiary Atlas Aircraft Company would retrench about 1 300 employees — a quarter of its staff — during the next six months, company sources confirmed yesterday.

It is believed that Armscor might announce further retrenchments in other subsidiaries tomorrow.

Several sources last night confirmed that Atlas management had met the Atlas Staff Association and had told workers that staff levels would have to be cut by 25% if the company was to survive commercially.

The Atlas cuts follow defence budget cuts, withdrawal of several aircraft types from Air Force service, and the cancellation and slowing down of several programmes originally necessitated by the SADF’s Namibian and Angolan campaigns, and by the perceived threat from Soviet-backed Frontline states.

An Armscor spokesman would not comment on the Atlas retrenchments, but said the state-run arms procurement and manufacturing corporation might make an announcement tomorrow concerning structural changes and retrenchments.

"We do not want to make a piecemeal statement now as there are still a few grey areas to sort out," the spokesman said.

Sources said Atlas management had told staff on Tuesday that retrenchment package details were still being worked out, but that housing subsidies and medical aid would be covered for periods proportionate to each retrenched worker’s length of service.

Staff had also been told that their conditions of service would be revised with cuts in leave, sick leave and long service benefits, the sources said.

A meeting to discuss changes to the Krygmed medical aid scheme — to which all Armscor staff are obliged to belong — is scheduled for tomorrow.

Staff are reportedly “up in arms” over the changes, which they claim impose a R30 000 ceiling on medical cover.

Most of the retrenchments are expected to be at workshop level, one source said.

The quality control division was to be axed and its responsibilities taken over by production staff, raising fears that aircraft safety might be compromised.

Armscor, which has had little success with its efforts to sell its Rooivalk attack helicopter abroad during the past 15 months, is to be transferred from the Defence Ministry to the Public Enterprises and Economic Co-ordination Department and its technology and skills applied to the civil market.
Armscor
5 000 set for jobs battle

By Helen Grange
Pretoria Bureau

Thousands of retrenched Armscor workers are about to encounter a closed labour market unable to absorb even the most highly skilled among them, economists say.

Armscor announced last week that it was to retrench a further 5 000 workers countrywide at the end of the month in its efforts to become a viable commercial undertaking.

The latest wave of retrenchments include a large number of highly skilled technicians, engineers and scientists, it is understood.

The retrenchments, however, affect workers of varying skill levels and of all ages.

There is currently an alarming oversupply of unskilled and semi-skilled workers in South Africa's labour market — with a shortage of skilled workers in certain fields.

Abe Bardin, a labour economist and director of research at the National Manpower Commission, said the present economy was not providing jobs even for people with highly developed skills.

"And if the skills are refined to a particular field, this will present an even bigger problem," he said.

One economist said the arms industry had been developed to a marked extent in South Africa and that many skills learnt by people about to be retrenched would be redundant in the new South Africa.

Armscor retrenchment victims would probably be extremely traumatised at losing such high-profile, well-paid jobs, he added.

SA Chamber of Business chief economist Ben van Reensburg said that even when the economy did begin to pick up as expected, this would not mean an automatic need for skilled workers.

"Businesses enter phases where they retain their skilled labour for the duration of the recession with the expectation that they can be put to proper use when the economy improves. Excess capacity also applies to skilled labour in businesses at the moment," Mr van Reensburg said.
Thousands protest over no say in sale

SHARON SOROUR
Labour Reporter

THOUSANDS of workers at Checkers fearing retrenchment after the sale of the company to Pepkor are complaining nationwide that they were not consulted about the deal.

The workers, members of the SA Commercial, Catering and Allied Workers' Union (Saccau), staged sit-ins and demonstrated at Checkers stores, mostly in the Transvaal, yesterday, said a union spokesman, Mr Important Mkize.

Mr Mkize said about 10 000 workers — including about 1 500 in the Western Cape — would be affected by the sale of the company.

Workers were worried about "their fate" and whether they would be retrenched as a result of the deal to be signed on Friday.

"Management has said they too do not know what the future holds for workers," Mr Mkize said.

Workers were "angry about the uncertain situation" and had sent management a list of demands for:

- A copy of the agreement of sale to check whether provision had been made for workers;
- A guarantee that workers would not lose their jobs before and after the sale; and,
- Assurances that employees' conditions of service would not change before and after the sale.

The managing director of Checkers, Mr Sergio Martinengo, confirmed that he had received a list of demands, but did not know why because only the company's shareholders could address the demands.

Mr Martinengo could not comment on the demands because the matter was "sub judice" as Checkers had received a letter from the union's lawyers.
Awesome shift in unions' role

SOUTH African trade unions face tough new challenges.

Their job is to defend workers' rights, and so far they've done a pretty good job.

But new realities are likely to cut their membership in the years ahead. And the harder they struggle for their members, the more jobs will be lost.

Several factors are at work in international business that are changing the role of unions, what they stand for and the way they operate.

These new conditions are affecting workers in every country, but their impact will be especially serious here.

The South African work force is too unskilled to attract high-tech jobs and too expensive for low-tech industries.

Competition

Technology has made the world a global village so our workers are now in competition with workers everywhere.

Because it's easy to fax instructions to Hong Kong, companies now go "body shopping" for labour, buying it wherever it's cheaper and most productive.

And since about 1.5 billion of the world's five billion people live in conditions of poverty, there are plenty of hungry foreigners who don't care about our "living wage". They snap up jobs at virtually any wage.

Here, the average black factory worker earns around R1250 a month. In Taiwan, that worker gets R50. But Taiwan is currently exporting factories at a furious rate because there's cheaper labour elsewhere.

In Malaysia, for example, the same job commands about R3,50 a month, including an allowance for travel and food. And in Shanghai, it's worth just R1,20 a day - and only 10 percent of the population earn that much.

These are the facts, and we'd better face them. For too long we've buried our heads in the sand.

Now, for the first time, we face the chill winds of global competition - a time of unprecedented global change.

Black unions have played a transforming role in South African politics. They did a lot to force a quiet revolution from within commerce and industry, mining and construction, when other movements were banned.

But from now on, with apartheid dying and with a new black government likely in a very short time, the focus of the workers' struggle will shift more and more from politics to economics.

Unfortunately, the very success of union actions so far could frustrate their efforts to get a better deal for their members.

Escalating wage demands with little improvement in productivity have helped to keep the economy in recession and made South African companies uncompetitive in world terms.

The result has been tougher bargaining by bosses and tens of thousands of lay-offs.

Companies are now extremely careful about who they hire, the contracts they sign and what benefits they offer.

Today, 43 percent of the formal work force is unemployed. Only about 12 of every 100 work seekers can find a job. There is no reason to believe that this tragic situation will improve any time in the foreseeable future, with the population growing about three times faster than the economy.

Violence

Criminal violence is thus likely to rise to horrific levels in the next few years. That, in turn, will confirm the view of many foreign investors that South Africa's risks outweigh its possible rewards. Instead of putting their money, their skills and their technology into this country, they'll simply go elsewhere.

The worldwide recession has forced businessmen to watch their pennies. South Africa is a small target of opportunity. The big attractions are Europe, the American and the Pacific Rim.

If we could expect easy handouts from the world's do-gooders, that time is past now.

The new South Africa is not an attractive moral issue. What's more, aid to almost all African countries is now under review, and almost all of it comes with strings attached.

Failed

If once we could rely on gold to save our hides, that day is past now.

In the past year, a major international war and a revolution in the Soviet Union have both failed to push its price up.

Nor are our other natural resources - for so long our great source of pride and hope - of much help right now.

Commodity prices are depressed everywhere. Any they're unlikely to rise much for some years, and then only too slowly to give us the urgent boost we need.

If we want to share wealth, we have to start by creating wealth. And the only way to transform this economy is by making our workforce world class in terms of both quality and cost.

In this new climate, organised labour has an awesome responsibility. Quite simply, it can encourage business and help attract investment, or it can guarantee that the new South Africa will never feed and clothe and house the millions of people who've suffered so terribly, who've struggled so long and hard, and who now expect so much.
More retrenchments

The manufacturing industry is set for further major retrenchments in the next 12 months.

Almost 60 percent of the respondents to a September survey of the manufacturing sector, carried out by the South African Chamber of Business, signalled their intention to cut back employment.

Cape Town manufacturers expect an increase in the complement of skilled workers, while their counterparts in Transvaal, Durban and East London expect to reduce the complement of skilled employees.
Sacob predicts more job losses

CAPE TOWN — Uncertainty over the timing of the next upturn was permeating the economy and could result in further job losses, Sacob economist Keith Lockwood told a Cape Town Chamber of Commerce seminar earlier this week.

Businessmen were uncertain over the state of the economy, possible labour action and political developments.

Lockwood said that over the next few months businessmen would be unsure whether any increases in sales were the result of pent-up demand pending the introduction of VAT or signs of a genuine recovery.

It is widely accepted that the economic recovery will be export led.

Lockwood said those businesses involved in the export market should see an increase in sales and profitability next year. However, domestically orientated manufacturers would continue to experience problems.

Export volumes excluding gold had increased by about 100% over the last eight years, though had tapered off in the last six months because of the fall in the world economy. From a 3.25% world economic growth rate in 1989 and 2% in 1990, a rate of 1.25% was forecast for 1991.

However, there were signs that the world economy, and particularly the US economy, had turned the corner which boded well for SA exports of manufactured goods. A world economic growth rate of 2.8% has been forecast for 1992.

"There is no reason to expect a big turnaround in commodity prices this year so export-led growth will be problematic if reliant only on commodities," Lockwood said.

"SA has increasing exposure to world markets and is enjoying significant growth in exports into Africa. Exports of its manufactured goods will probably be more easily absorbed in developing countries." The outlook for investment spending was not optimistic as gross fixed investment had tended downwards for the last six quarters, he said.
ECONOMIC OUTLOOK

Regional rundown

The northern Transvaal region has maintained the highest population growth rate for two decades (nearly 3.8% annually since 1980), says a Development Bank study, S.A.: An inter-regional profile. This is because the large ratio of young people to total population produces a high fertility rate.

The region has the largest proportion of people under the age of 15 and is the only one to have more children than adults.

Health services are dismal. The region has the lowest number of hospital beds and doctors per capita and the second lowest life expectancy.

Population growth

The study analyses the social and economic characteristics of nine development regions (including the TBVC states and self-governing territories). It covers population growth, urbanisation, health, education, labour and employment, production and gross geographic product, income and expenditure and quality of life.

The bulk of the population lives in Transkei, Natal and KwaZulu — more than 23%, or 8.6m people — while the region comprising the PWV, KwaNdebele and parts of Bophuthatswana has the highest population density (280/km²).

The eastern Transvaal and KaNgwane region has the lowest unemployment rate (8.7% in 1989) and the eastern Cape/Border and Ciskei region the highest (25%). The survey says the rate of unemployment has increased in all regions because of:

- Lack of real growth;
- The tendency of firms to opt for capital-intensive methods to counter rising labour costs; and
- Low productivity and work stoppages.

Jobs are scarce outside major urban areas and this leads to high migration. The concentration around urban areas is more pronounced than in the rest of the world. The survey says that in 1988 about 53% of the urban population lived in cities of more than 500 000 compared with 48% in upper-middle-income countries and 46% in non-communist countries.

The results of the survey caused the Development Bank to identify some problems: an unequal spatial distribution of economic activity; a fast-growing population; rapid urbanisation and informal settlements; inadequate preventive health care; a low level of education and economic activity; few or no new jobs in the formal sector; semi-permanent migration; unemployment; a declining standard of living; and a shorter life expectancy.

It suggests a number of ways to “stimulate an integrated development process,” including: more appropriate regional development policies; emphasis on efficient resource allocation in both the private and public sectors; upgrading deprived urban areas and informal settlements; creating an adequate but affordable social and physical infrastructure; land reform; and redirecting public expenditure to basic human needs, such as education, on a nondiscriminatory basis.
The retrenchments follow 10 000 Armscor redundancies in the last two years caused by the shrinking defence budget and a diminishing production rate.

An Armscor spokesman said yesterday that retrenchment notification was being
done company by company. He could not say when Atlas would be notified.

Sources at Atlas said that to date management had not yet informed any of the
more than 6 000 staff members as to their future with the company.

They said many staff members had volunteered for retrenchment as management
had told staff that as of next February new conditions of employment, with big cuts to
long service and annual leave, would be implemented.

Staff are unhappy with some of the conditions of an Armscor policy document out-
lining retrenchment, including one that staff volunteering for retrenchment would
not automatically receive severance bene-

WIDER BARGAINING POWERS SOUGHT

GERALD REILLY

PUBLIC SERVANTS FEAR FOR JOB SECURITY

BUSINESS DAY, Monday, October 27, 1997
Unemployment is out of control.

Jobs shock: 7 out of 100 can't find work.
ICL SA lays off staff, keeps up market share

Business Times Reporter

SOUTH African computer services company ICL has been laying off staff. 

But it is maintaining its market share, says chairman and chief executive of London-based ICL plc Peter Bonfield, who visited the country this week.

ICL SA is jointly owned by the UK company and Malbak, which acquired its stake during disinvestment in the 1980s.

Mr Bonfield says that after decades when annual growth in the business worldwide was 12% to 15%, the figure for 1991 should be about 5%. Hurt bottom lines have been hurt, forcing wholesale layoffs. One company alone shed 4000 employees. SA has followed the trend.

Another factor hurting established computer companies is the international swing from mainframe to small machines.

Mr Bonfield says ICL, once regarded as a predominantly mainframe company, now gets only 25% of its revenue from this source.

PETER BONFIELD: Growth signs

"I am pleased with our operation in SA. It has maintained market share. It is profitable, although less so than in 1990, has a positive cash flow and is growing. I am also pleased with our Malbak link because it helps our credibility."

Mr Bonfield says ICL has been the most profitable of European competitors, companies which endured hard times in recent years.

Last year Japan's Fujitsu bought an 80% stake in ICL from sole shareholder STC. Before that Fujitsu had a technology exchange agreement with ICL and used to make components for its mainframe machines.

Listing

It is intended to float ICL on the London Stock Exchange in the next two to three years and Fujitsu will reduce its stake.

"The technology links will remain. Because Fujitsu is a major backer, nobody asks any more if we are going out of business," says Mr Bonfield.

ICL bought Finnish computer company Nokia Data this month for $1.2 billion. Mr Bonfield says the acquisition brings ICL's annual turnover to $4 billion and makes it the 10th biggest computer company in the world.

Fujitsu is second to IBM. Mr Bonfield says: "It is good news that sanctions against SA are being lifted. But many companies are still wary of investing here because of uncertainty about political stability and possible future restrictions on foreign exchange."

Rusfurn

So Rusfurn returns to the Sankorp fold it left two years ago. Sankorp has 90% of Sebisk bank parent Bankorp and until a week ago controlled Tradegro, which sold Rusfurn in 1989.

Ysterry

scient, it would be difficult to retain the staff.

Mr Cloque says: "It is untenable that taxpayers have to subsidise the swollen public service. It would be better to pay them their salaries and let them stay at home because if they come to work they spend more money."

CSS figures show that RSC's received interest income of N14.7 million from banks in 1990. They had hundreds of millions on deposit instead of spending the money on badly needed projects.

Dr Brand says the figure is high because funds are allocated to projects, but paid only on completion.
Over 200 retired people teach business for SBDC

ABOUT 225 retired business people have joined the SBDC since 1983 to teach business skills in the small and medium enterprise sector, SBDC MD Ben Vosloo said in a statement.

But, he said, the corporation still urgently needed more of these veterans to join its Mentor Advisory Programme (MAP) as it wanted to help more informal and semi-formal businesses to advance into the formal business sector.

The ability of the SA economy to create employment opportunities had decreased so drastically over the past five years that only 12.5% of new job-seekers could be absorbed, he said.

"In other words, only 125 out of every 1 000 people who enter the job market daily succeed in obtaining full-time employment. The other 875 must become self-employed in the informal, semi-formal or formal sector or join the swelling ranks of the unemployed — already at between 4- and 5-million."

He said among the 225 advisers taking part in the MAP scheme were retired academics, former bank managers and directors of public companies, retired public servants and former small business people.

The number of people assisted by MAP, has grown from the initial 954 in 1985 to 35 000 in the past year.

The programme cost R2m last year.
Experts stumped by jobless crisis
The JSE ended another trading session yesterday barely above its break-even level, deepening the gloom among stockbroking firms and raising the spectre of a new wave of retrenchments.

The JSE needs a daily trading volume of R100m to break even. It has exceeded this only 15 times in the past three months, meaning it has been running at a loss three days out of every four.

The market was abuzz yesterday with talk that Frankel Max Pollak Vinderine was about to lay off about 40 people in a move aimed at cutting about R200 000 a month in overheads.

The firm’s chairman Leslie Frankel said: “We have taken no decision as yet. We have to look at it in the light of the low level of business being done on the JSE.”

He painted a gloomy picture of the trading situation. “When you see turnovers of R60m, we’re losing money. It’s not good at the moment.”

While conceding that the firm’s involvement in the Old Mutual affair — which saw many institutions withdraw their business — had not done any good, Frankel said the real problem was the general market condition. “We’re all in the same boat.”

The latest retrenchment talk at Frankel’s comes barely a month after the firm closed its capital market operation because of flagging volumes. About 70 people were retrenched late last year when the firm was formed through the merger of Frankel Kruger Vinderine and Max Pollak Freemantle.

A broker said if low volumes continued the JSE would end up with a handful of big, technologically advanced, full-service firms and about 10 small, low-cost niche firms. The entire “middle class” of stockbroking firms, which have the cost structure of the big firms without the accompanying business, would be wiped out.

The consensus in the market was that the bulk of equity business was currently going through firms like Ivor Jones & Co, Martin & Co, Simpson McKie, Ferguson and Davis Borkum Hare. The opinion was expressed that institutions should spread their business more evenly because the whole stockbroking community shared the infrastructure costs.

Besides jobbing by professionals for their own account, nearly all other business on the JSE was provided by institutional investors.

Private client business, which brokers said had been hit by the R30 minimum share fee, remained insignificant.
OF the thousands of South Africans who set out every day to look for work, only a tenth are lucky enough to find jobs.

This startling statistic underscores warnings that unemployment is out of control.

Experts predict that by 2005 there will be no jobs in the formal sector for between 7 million and 12 million semi-skilled and unskilled workers.

More than half the labour force, about 10 million people, will have to earn their living in the informal sector, or be without work.

The new South Africa will face daunting challenges and the harsh realities of tackling unemployment and handling the manpower development needs of its people, says Mr Reuben Denge from the Workers’ Education Project.

It will be necessary to create more than 3 000 jobs every working day.

Unemployment in South Africa already exceeded five million people—40 percent of the economically active population—in November last year, said Mr Charles Nupen, director of the Independent Mediation Services of SA (Imasa).

Registered unemployment creates a distorted impression.

Statistics show the number of registered unemployed people (excluding the homeland) dropped from 118 280 at the end of September 1986 to 117 108 people in 1989, comprising 72 533 Africans, 18 417 coloureds, 6 005 Indians and 19 682 whites.

However, if the homelands are included, and unregistered people, or those who have never had jobs, the statistics would be staggering.

While the answer to unemployment is job creation, the outlook is gloomy.

The Labour Research Service figures show only 55.4 percent of jobs required in the manufacturing sector were created in 1980, 21.3 percent in 1970 and only 3.9 percent in the period from 1980 to 1989.

The double economic imbalance in the job market has been caused by too many—millions in fact—of unskilled workers and too few skilled workers.

The National Manpower Commission reports that the demand for skilled manpower during the past decade increased hugely in spite of a low economic growth rate of about two percent.

With a projected real economic growth rate of 8.7 percent a year, the demand for high-level manpower will increase in the next decade by three to four percent annually, or by a cumulative total of between 500 000 and 600 000 people.

Statistics for 1990 show that South Africa will need an additional 120 000 middle and senior managers and executives by the year 2 000 to maintain growth.

"Education and training are crucial. Lesser skilled, unskilled, underemployed, unemployed and very poor people have got to be trained and developed so that some of them can alleviate the shortage of manpower," he said.

But, unemployment remains a nightmare in South Africa, a "complete disaster".

Experts agree that the country urgently needs government/private sector sponsored labour intensive development projects and a greater emphasis on vocationally-directed education and training.

Economic experts say a dual economy in South Africa should not be perpetuated and the divide between the formal and informal sectors should be bridged.

Every effort should be made through vocational services and training to provide informal sector workers with skills and everyone should be entitled to social security, Mr Denge suggests.
JOEYS is the group that for years has been working to improve the quality of life for the unemployed. They have been fighting for the rights of the unemployed for many years. They have been successful in bringing about changes in the unemployment insurance system.

JOEYS is a grassroots organization that is made up of unemployed workers who are committed to fighting for their rights. They have been successful in their efforts because they have been able to organize and mobilize workers to take action.

JOEYS has been able to win many battles for the unemployed. They have been successful in convincing the government to increase the amount of money that is paid out in unemployment insurance. They have also been successful in convincing the government to extend the duration of unemployment insurance benefits.

JOEYS has been able to do this because they have been able to build a strong base of support. They have been successful in organizing workers to take action. They have been able to mobilize workers to participate in protests and rallies. They have been successful in convincing workers to join their cause.

JOEYS is a group that is dedicated to fighting for the rights of the unemployed. They are a group that is made up of workers who are committed to improving the lives of all workers. They are a group that is dedicated to making the world a better place for all workers.
Jobs still scarce, says Stellenbosch

Business Staff

JOB prospects remain gloomy, according to the latest forecast of economic trends by Stellenbosch University’s Bureau for Economic Research.

There would be a 1.7 percent fall in unemployment in the non-agricultural sector, and zero growth in 1992, the Bureau reported.

"The implication is that these trends will continue and unemployment will go up."

The informal sector would grow as a result.

Labour absorption ability of the formal sector had fallen steadily since the 1960s, when it amounted to 97 percent. In the 1970s it fell to 72 percent, in the 1980s to 22 percent and "the figure for 1986 to 1990 comes to a mere 7 percent."

"The anticipated increase in unemployment is likely to have a negative impact on business in general, but on consumer spending in particular," the Bureau reported. It was also likely to increase the crime rate.

Closely related to the inability of the economy to generate jobs was the increasing tendency of the private sector to replace labour with capital.

During the 1970s the cost of capital was relatively low as a result of a long period of negative real interest rates, a high external value of the rand, tariff protection of local industries and tax measures that actually encouraged capital formation.

But labour became more expensive as wages increased, and labour-related unrest increased the cost of labour even further.

"Unfortunately we have to assume this state of affairs will deteriorate during the forecast period. Until such time as businessmen and trade unions can work out an acceptable solution, unemployment will remain high, and the socio-political climate will impact negatively on the making of sound business decisions."
Workers' plea for support

By MATHATHA TSEDU

SEVENTY-SIX members of the Steel and Engineering Workers Union of South Africa in Pietersburg who have been on work stoppage since October 1989 have appealed for public support.

The workers, employed by NTY company, say they were fired when they complained about constant dismissals at the plant. The co-owner of the company is Transvaal Administrator Mr Danie Hough.

Reinstated

One of the workers, Mr Plameas Mneshi, who was fired before the rest of the group, was reinstated following an industrial court ruling and later killed at the firm, where only white scab labourers have been employed since the 76 were dismissed.

Six whites are to appear in the Pietersburg Regional Court in connection with Mneshi's death.

In a letter circulated in Pietersburg this week, the workers appealed to the public to support their struggle. They also ask for material and any other kind of support. The dismissal case is to come before the industrial court in Pretoria on February 25.
Grave forecast on joblessness

BY DREW FORREST

WITH up to 400 000 workseekers entering the job market every year, South Africa will require a growth rate of between six and seven percent to keep pace with the influx — let alone clear historic unemployment backlogs.

This grave prognosis, in the latest edition of the SA Labour Bulletin, is confirmed in a recently released study by Unisa’s Bureau of Market Research. The bureau predicts an annual growth of 450 000 in the labour force between the years 1990 and 2000, and of 510 000 each year from 2000 to 2005. By 2005, it predicts, no fewer than 11.5-million South Africans, or 57 percent of those of working age, will be outside the formal economy.

The Bulletin article, by Dot Keet, throws a terrifying light on the scale of our unemployment problem. It points out that:

- According to the Development Bank, 8.4-million, or 51.3 percent, of people of employable age, are already denied formal employment.

- Only half a million of the 3.9-million new entrants to the labour market found jobs in the 1980s. In the past five years, 12.5 percent of school-leavers had found formal jobs, as against 73.6 percent in the 1960s.

- Some 17-million South Africans are estimated to be living below subsistence levels.

- Average per capita income fell by five percent between 1980 and 1989, according to the National Productivity Institute. Over those years, the population grew by 2.3 percent and the economy by an average 1.8 percent.

The Bulletin article slams government job creation efforts, pointing out that only R719-million was spent on “special employment training” for people not on UIF between 1985 and 1990. According to the Development Bank, these generated no permanent employment opportunities, physical assets or social infrastructure.

Over these years, the government also spent R422-million on formal training schemes for the unemployed. Thirty percent of the 3.3-million people trained were later placed in jobs.

“The training, the monitoring and the results of such schemes have been inadequate to the huge sums of public money being spent,” the Bulletin comments. “At the same time, the amounts being spent have been totally inadequate to the scale of the problem.”
Prince Russell Zulu is ready to supply foreign currency.

A helping hand

Prince Zulu offers

Looking for paid assistance in the production field.

Photo: Kevin Carter
Mink and manure set

Row cripiples Inanda Stables

SATURDAY STAFF REPORTER

3rd November 1991
Evidence points to a worsening situation over the next 15 years, writes Mike

Jobless timebomb ticking

WARNINGS that South Africa's unemployment crisis could soon get out of control have again focused attention on possible solutions to a problem that is increasingly casting a shadow on the country's political and economic stability.

Signals that, away from the spotlight enjoyed by efforts to find a new constitutional dispensation for the country, the unemployment time bomb is inexorably ticking away, are there for all but the blind to see.

In the past month alone these have included:

- Central Statistical Service figures showing joblessness to be still on the rise, with more than 40,000 people losing their jobs in the main sectors of mining, construction, manufacturing and electricity between March and May this year alone.
- A Unisa report which warned of a sharp rise in the number of black workers in the next 15 years, and the likely inability of the formal sector to absorb them in sufficiently large numbers.
- Armco's announcement that it is to make redundant 5,000 employees as part of a rationalisation programme to transform itself into a viable commercial undertaking.
- The warning by Sanlam that the unemployment problem is fast becoming "unmanageable", with just seven percent of new jobseekers managing to find full-time work in the past five years.

According to the Economic Project at the University of Stellenbosch, which (together with the Institute for African Studies) has just hosted a symposium on unemployment, about six million people, or 42 percent of the labour force, are presently unable to find formal employment in South Africa (including the homelands).

Worst affected are the youth, women, rural people and the under-educated.

The negative impact of unemployment on South African society, and indications that the situation is likely to get worse, have rekindled debate on possible ways of providing work for the jobless.

Some of the ideas being put forward are:

- Creating more jobs by halting and, where possible, reversing industry's slide towards capital intensity.
- Launching rural development programmes aimed at meeting the basic needs of communities such as school buildings, health centres and irrigation schemes.
- Labour-intensive urban development schemes including the construction of low-cost houses and public roads.
- The development of a youth employment programme (a sort of voluntary, non-military, call-up system) based on community service. It would simultaneously seek to provide young people — many of whom have no skills or work experience — with some sort of vocational training.

Some, like Professor Servaes van der Berg of the Stellenbosch project, consider that the Unemployment Insurance Fund, which in any case provides only limited relief, is woefully inadequate.

"At the moment the UIF serves as insurance cover for those who have employment. But by far the biggest problem relates to the people who have been out of work for a long time (and have exhausted their UIF benefits), and those who have never worked before (mainly young people).

"We have to take into account that there are just not enough jobs to go round. As we enter a period of transition in South Africa we will need stability, and to get that we will have to show that there has been a visible improvement in people's material conditions,"" said Professor Van der Berg.

Economic growth, on which the Government seems to have pinned its hopes of solving the unemployment crisis, was no panacea. "I have not met someone who believes that we, in the next 20 years, have growth rates to absorb substantial numbers of those in the jobless queues," he said.

But boosting the economy's growth rate is just one hurdle to be cleared. The other, being whether under the present Government it is possible to successfully undertake a comprehensive job creation scheme which will enjoy the (necessary) support of the unemployed, the overwhelming majority of whom are black.

It is questionable, for instance, whether township youth, with their high degree of politicisation, would enthusiastically take part in a public works scheme organised by Government alone.

Also, low-wage projects (at the R200-a-month rate suggested by some economists) might have difficulty getting the stamp of approval from major trade union federations such as the Congress of South African Trade Unions, which have been at the forefront of the battle for workers' rights.
Executive Retrenchments

More executives have been retrenched in this recession than in any other in the past 15 years, but it's an exaggeration to say scores of them are walking the streets looking for work.

To be sure, some are looking for new positions and sounding out employment agencies. But there are also some who can afford to sit back and ride out the recession. They firmly believe that there will be a demand for their skills when the economy turns around.

Edwin Barston, head of the SBDC's information bank, says many have opted to start their own businesses. "The pace of applications for assistance is startling. It's a fact of life that the number of applications we get increases wherever there's an economic downturn."

Roly Boardman, senior member of Impact Human Resources, specialists in placing financial personnel, says there are more financial executives on the market now than two years ago, but a 2% growth rate would absorb everyone on offer.

"We are having some difficulty placing people. It isn't so much that there is a significant increase in the number of applicants, but those with jobs to offer have become very choosy. They perceive, wrongly, that there are very few good calibre people out there scrounging for jobs.

"There have been few retrenchments in the financial sector, particularly at senior or top management level. Those looking for jobs are mainly at middle-management level. In fact, if the economy grows by only 2% we'd be scraping the bottom of the barrel, as we were two years ago."

Paul Tingley of Paul Tingley Management Services, which caters for a wider spectrum, takes a more pessimistic view. He says the situation is becoming more serious by the day across the commercial and industrial sectors.

"The political situation is stifling investment, which means a lack of jobs and many losing their jobs. Emigrating won't solve their problem. They can't pack their bags and look for jobs in the countries we trade with, such as France, Germany and Britain, as they did in previous recessions, because those countries also are in deep recession. We not only get letters daily from highly qualified out-of-work people in those countries looking for work in SA, but we have actually had highly skilled people from Denmark, New Zealand, Australia and the Americas pay their way out here, walk into our office and say they're looking for work. That has never happened before."

He expects that there won't be full employment for executives for another two or three years, but the news is not all bad. "The current recession has forced companies to reduce their payrolls and become leaner and healthier, which will be good for them when they have to compete in the world's markets."

Gordon Whitaker, a senior consultant with PE Corporate Services, a Price Waterhouse subsidiary, says: "Economists say this recession is not as deep as others, but it is lasting longer and it's affecting the man in the street much more seriously. People further up the line are being retrenched.

"We cannot place them in jobs because very few in jobs are resigning and plans for expansion have, in most cases, been put on the backburner. The only alternative for some who have lost their jobs, if they can indentify a niche market, is to go to the SBDC, ask for assistance and start a small business."

Whitaker likes this option because, if some survive, it will increase the number of small businesses. This would bring SA more into line with the US and other countries where small businesses employ more people than the big corporations.

Economist Michael McDonald of Seifisa says factories and engineering workshops are holding off on their senior technical people for as long as they can because they know they will need them once the economy swings.

"But when their backs are against the wall, they have no option but to let them go. There is no way of saying how many people of that calibre have been retrenched; they earned too much to qualify for membership in the Unemployment Insurance Fund and there are no other reliable statistics that would reflect their numbers."
Grim job outlook for newcomers

By ARI JACOBSON

ONLY three out of every 100 people entering the job market can currently expect to be employed, says Boland bank chief economist Louis Fourie.

Speaking at the bank's "economic outlook" conference at the Woodstock Holiday Inn yesterday fourie said that although such structural problems would inhibit the economic revival, "there is still light on the horizon".

He said the most important prospects for better times in SA would flow from renewing trade relationships with overseas partners.

"The outlook for the world economies is expected to show a marked improvement from early 1992 in exports, and so in incomes."

This injection from external sources could also alleviate the local labour problem, he said.

Earlier, University of Stellenbosch professor Willie Esterhuysen talked of the positive political developments currently unfolding in SA. These included the willingness of opposing factions to negotiate, a less hostile international arena and consensus already reached on fundamental political ideals and values.

"Negative factors, he said, included those political parties who were against the negotiation process, white fears and a weak economy.

"But the chances of a successful transition are far better than the chances of failure," he said.

Completing the future economic picture, Louis Geldenhuys, economist with stockbroking firm Senekal, Mouton & Mouton, said it was difficult to eradicate inflation "once it has become a part of our lives."

"And in the light of high inflation in SA, compared with its trading partners, the rand will not be able to escape a depreciation in 1992."

But this, he said, would be tempered by the favourable trade balances anticipated together with government policy to protect the value of the rand.

Geldenhuys predicted that the prime overdraft rate would be at 17% (down from the current 20.25%) by this time next year.

Discussing the JSE, Geldenhuys said: "Gold shares are well placed to take advantage of a rise in the gold price, as long as the gold mining companies are well managed".

However, he warned: "Although the gold price looks as if it has bottomed the outlook for a sharp rise is not at all favourable".
Sage Life products to help jobless during retrenchment

SAGE LIFE has launched two products against personal loss from retrenchment, MD Morris Bernstein announced on the weekend.

Bernstein said a new short-term insurance company — Sage Specialist Insurances — had been jointly formed by Sage Life and IGI Insurance to house the new products. He said “Job Loss Insurance” and “Bond Payer” were the first retrenchment provision products worldwide.

Bernstein said Sage had to launch Sage Specialist Insurances (SSI) because of legal restrictions applying to the products. As a result, Sage holds an 80% stake in the new company and IGI 20%. SSI would act as underwriter of the products which come onto the market today.

Both products would be marketed via the ABSA group, of which Sage is a subsidiary, and by IGI’s short-term sales force.

Bernstein said Job Loss Insurance would be aimed at the executive market, which is not catered for by the Unemployment Insurance Fund (UIF). Companies are legally obliged to deduct UIF contributions from employees earning less than R3 881 a month.

Job Loss Insurance would provide policyholders who had been retrenched or made redundant with 60% of their gross monthly salary on either a 6-month or 12-month cover basis. Premium rates would depend on the length of cover.

Bernstein said a recent survey conducted by Sage showed a marked increase in executive retrenchments over the past year. As a result, he expected Sage’s new product to prove highly successful.

Government restrictions have limited the marketing of Job Loss Insurance to employees earning gross renumeration of at least R4 000 a month. In addition, the product is available to individuals employed for more than two years by the same employer.

Bond Payer would be marketed to individuals earning at least R2 000 gross a month. The product would ensure bond payments in the event of retrenchment.

Bernstein said bond payments were normally the largest monthly cost for individuals.
Workers quit strike

ABOUT 800 workers who went on strike after a colleague was dismissed for displaying condoms in front of white female colleagues have resumed their duties - five weeks later.

The workers at R&R Tobacco Manufacturers in Croesus and its satellite companies in Selby and Heidelberg, were protesting against what they termed "unfair dismissal" after a shop steward, Mr Bongane Mthimkulu was dismissed on September 30.

A spokesman for the Food and Allied Workers Union said the workers had decided to return to work although Mthimkulu had not been reinstated.
GoI told it must act to save jobs in furniture industry

MARCIA KLEIN

THE furniture industry faces substantial retrenchments if government does not act to stimulate the economy, Furniture Traders' Association (FTA) executive chairman Frans Jordaan says.

Commenting on lacklustre sales figures for the third-quarter, he said the industry felt that if nothing was done to stimulate the economy soon, "some sectors of our industry, particularly the manufacturing companies, could be forced to make substantial retrenchments".

Major manufacturer Afcol today reported a 47% decline in earnings for the six months to end-September.

These results, as well as other figures which show a 17% decline in the manufacturing industry in the six months to end-June, indicated the furniture manufacturing industry was experiencing a huge slump, from which the smaller operations might not recover.

Measured

Retailer Liaison Committee figures showed furniture sales grew 8.3% at current prices in the July-to-September quarter. Appliance sales grew 11.5%, audio equipment sales 7.4% and television and video sales 13.5%. At current prices, these figures reflected no real growth in the industry for the quarter.

Jordaan said these figures had been measured off a base of particularly good sales at this time last year due to the relaxation of credit restrictions.

Sales of audio equipment, appliances, televisions and videos were measured off a fairly high base, but "sales of furniture, on the other hand, have been depressed for the past 12 months and this causes grave concern", Jordaan said.

Annualised sales figures showed a growth rate roughly the same as the inflation rate. Jordaan said this was way below average sales figures for 1990, which varied between 20% and 30%.
Little prospect of bumper Christmas

PRETORIA — Record consumer debt levels and widespread and worsening unemployment virtually rule out the possibility of a bumper Christmas season, says the Information Trust Corporation (ITC).

ITC director Richard Stobert said yesterday retailers would be fortunate if they achieved last year's level of Christmas sales in real financial terms. "As business and consumer confidence is at its lowest level for years a bumper Christmas is a remote possibility indeed."

He said it was unlikely that stores would risk stretching credit limits to boost sales "in the face of record debt levels, a two-and-a-half-year-long recession, high and rising unemployment, inflation levels of 18% and interest charges of 20%-23%."

Stobert said ITC's Johannesburg office had been inundated with inquiries from merchants investigating applicants' creditworthiness.

"The jolting fact was the record number of civil judgments for consumer debt reached in July — a total of 40,000 judgments, an average of 2,100 each working day."

Absa economist Adam Jacobs agreed it was unlikely Christmas consumer spending would rise in real terms and there could be a slight decline.

Stellenbosch University Bureau for Economic Research head Ockie Stuart said he expected spending over Christmas to remain at a similar level as last year in real terms.
New employment won’t take off soon

NEW employment was not likely to take off until the second half of next year despite the expected early recovery in the economy, recruitment specialists said yesterday.

However, economists and personnel agents expected the dramatic decline in new employment over the past two years to level off and retrenchments to cease.

Bureau of Economic Research economist Marius Hugo said employment in the formal sector was unlikely to deteriorate further during 1992. Although the expected upturn in the economy would result in a slight 0.1% improvement in employment next year, he did not expect new recruitment to pick up substantially before 1993.

Hugo said the economic downturn had persisted for more than 31 months, making the recession one of the longest in the postwar period. Employment in the formal sector this year dropped by 1.7% on the previous year.

Econometrix economist Tony Twine said the public sector had maintained its employment drive throughout the recession: “The public sector seems to continue employing new people regardless of economic conditions. It has grown by over 70% since the beginning of 1980.”

Twine said he expected the public service to provide some relief to the poor employment situation in 1992.

Churchill Personnel MD Den Jennings said employment opportunities in his books had declined by 25% last year compared with a 10% drop in the first 10 months of this year. He expected employment — depending on the strength and timing of the economic recovery — to improve by about 19% next year.

However, he said the traditional recruitment period of January/February would be slow due to the private sector’s cutback on development training programmes.

Although there would still be strong demand for highly qualified professionals, new jobseekers would have a tough time finding employment, Jennings said.

Career Vision spokesman Jeanne White said companies had rationalised employment this year and were unlikely to take on additional “fat” by recruiting new people regardless of the economic recovery. She said companies had consolidated employment positions thereby reducing labour costs.

However, White said remuneration packages had increased considerably over the past year due to a shortage of experienced and qualified management personnel.

Central Statistical Service figures for the first quarter of this year showed a 1.5% drop in employment while salary and wage costs climbed by 15.1%.

Although employment conditions would be tight in the first half of next year, White said black management development programmes were expected to come on line during the year.
Major sectors cut 112 000 jobs

PRETORIA — Almost 112 000 jobs were lost in the mining, quarrying, manufacturing and construction industries and Eskom in the 12 months to end-August; latest Central Statistical Service figures show.

The mining industry shed almost 49 000 workers during the period. The total number of people employed in the industry at the end of August was 637 581.

The next biggest loss was in manufacturing, where 33 300 jobs disappeared, reducing total employment to 1 425 822.

In construction 26 000 jobs were cut, reducing the workforce to 378 900. Eskom’s staff numbers fell 3 200 to 47 700.

The same trend was apparent in the wholesale and retail trade and in the motor trade and hotel industries.

Total job loss in the four sectors amounted to almost 111 000 between June last year and end-June this year, when the total number of jobs was almost 735 000.

Retail trade employment dropped 5 156 to 361 645, wholesale trade personnel fell 1 762 to 210 415, hotel working figures lost 2 702 to 43 197, and in the motor trade, 1 270 jobs were lost, bringing the total down to 112 503.
New bosses wield axe at Fedfood

BY DON ROBERTSON (335)

At least 10 staff members involved in the purge at the Fedfood corporate headquarters in Bedfordview are at risk of legal advice after the retrenchment of 32, including senior executives.

Others intend to ask the Industrial Court for advice.

The employees were told on the morning of November 9 that their services were no longer required. They were given until the afternoon to leave the premises. They will be allowed to use their company cars until December.

"The retrenchments followed the takeover of Fedfood by an Italian firm. It bought a 69% stake in the company from Federale Volksbeleggings last month."

"Emotions" were "running high" among those who were laid off, although many had expected rationalisation.

Radical

Indications were that any staff changes would be made only in January.

Employees were assured earlier by Malbak chief executive Grant Thomas that business would continue as usual, with no radical changes to be made and all matters to be discussed with workers.

The subsequent appointment of Dirk Jacobs, chief executive of Kanyhyn, as chairman of Fedfood, prompted the latest retrenchments.

The status of previous managing director Jan du Toit has been changed to non-executive chairman. Mr Du Toit is due to retire in March.

Mr Jacobs says: "Although staff cutbacks were planned for next year, procrastination caused uncertainty and stress among the staff, so I decided to take the retrenchment decision on November 9."

"Malbak has a strong decentralised management style and I plan to initiate this in Fedfood to allow for controlled autonomy with more emphasis on decision making at the operating level where experience and knowledge lead to quality decisions."

The move will save the group about R4 million a year in overheads. It should pave the way for the second phase of the programme early next year, says Mr Jacobs.

The rationalisation is aimed at trimming head-office costs after the acquisition of the R12-billion Fedfood Group. Details of the scheme and the offer to minorities were announced this week.

Mr Jacobs says the retrenchments affect the human resources division and the planning and public relations sections which were closed. Finance and administration will be placed under the control of Neil Kilian, finance director of Kanyhyn.

The second phase will involve the merging of Fedfood and Kanyhyn. It should be completed next year.

One company will be listed after the merger. Share price rules at the time will depend on which one remains, so as not to prejudice minority shareholders, says Mr Jacobs.

17/11/92 (645s)

Employed fear that the merger will result in more retrenchments and rationalisation.

Mr Jacobs says the combined group will have a broader base of highly branded products and will become a significant player in the market with more value-added goods.

It will run a close second to Premier Group's food division.

Mr Jacobs has turned Kanyhyn around from its disastrous results in 1988. This week, Fedfood announced a 10% decline in attributable profits for the six months to September.

Rationalisation of activities and remedial action will now be taken by Mr Jacobs to stem the decline in Fedfood's profits.
Johannesburg. — More than 200 Western Cape workers at the Southern Sun-Holiday Inn hotel group have been retrenched, bringing the number of retrenchments in the group countrywide to over 500.

A spokesman for the SA Commercial and Catering Workers Union, Mr Power Malgas, said Saccawa had suggested retiring some workers instead.

A Southern Sun-Holiday Inn spokesman, Mr Steve Lonie, said the economic downturn in the hotel industry had forced the reduction of staff. — Sapa
THE DiepMeadow Council is inviting unemployed men to apply for temporary jobs.

Applicants will be paid R7 a day for the manufacture of bricks, installation of infrastructure, construction of ablution blocks and construction at Bapedi Hall.

Applicants should be resident in Dieploof and Meadowlands and should hold no other job.

Pensioners will not be considered.

Town clerk Mr JF de Jager said applicants should report at Central Camp, Dieploof, tomorrow at 8am. Identification and proof of residence are required.

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New corps for youth mooted

A national community service corps for young South Africans would improve the national infrastructure by providing skills and jobs for some of the 6.5 million who could find themselves unemployed by the year 2000.

The corps, proposed by banking conglomerate Bancorp in the November edition of its Econosight journal, would also provide vital services for deprived communities.

The proposed programme could incorporate a new military service component.

"Conscripts" would be given a choice of projects — including small business development, sanitation, squatter camp upgrading, electrification and road-building. — Staff Reporter.
Bankorp moots R3bn jobs scheme

A 500 000-strong national community service corps should be set up to counter the escalating youth unemployment crisis facing the country, Bankorp said in its November issue of Econowise.

About R3bn (1% of gross domestic product) should be allocated to the programme which could provide basic skills as well as improve the national infrastructure.

Bankorp estimates about 4-million adults could not be accommodated in the formal sector in 1999, 90% of them below the age of 30. This is forecast to increase to 5-million by end-1995 and 8-million by the end of the decade.

The programme would result in an increase of about 3% in government spending, which could be covered by a one to two percentage point increase in VAT and a decrease in expenditure on less productive forms of spending.

Bankorp chief economist Nick Barnard ruled out increasing the deficit before borrowing or increasing company or personal tax rates to finance the programme.

Barnard pointed out this was not an entirely new concept but rather a development of previous ones.

The programme would have to supplement sustained employment growth through dramatic export growth, aiming at doubling non-gold exports every five years.

Bankorp

It could accommodate about 500 000 people at a cost of R3bn and should concentrate on a carefully structured basis ensuring medium- to long-term sustainability.

The corps could incorporate a military service component involving school leavers of all races in a national community service corps providing basic skills.

Cosatu recently proposed special youth programmes which drew on experiences — “positive and negative” — of such programmes in Cuba and Nicaragua, as well as the “New Deal” Civilian Conservation Corps set up for 2.5-million young men in the US in the Depression.

However, it said the programme should not be militarised.

A Development Bank spokesman agreed with the Bankorp concept but said it should not be militarised.

Bankorp proposed the programme should tackle projects such as low-cost housing, water and sanitation services, counteracting erosion by building weirs and dams, building and repairing roads, building rural health and literacy centres and upgrading squatter areas.

It could also serve as a basis for small business development.

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Unemployed youths told to ask Mandela for vacancies

By ISAAC MOLEDI

THREE unemployed Soweto youths looking for jobs at a Johannesburg company were yesterday told by a manager to “tell Nelson Mandela to give you jobs.”

Simon Molefabangwe (21) of Dobsonville, William Radebe (20) and Roladin Mphahlele (19) both of Molestane said they were surprised to hear a comment from the manager of Fox & Ullman in Industria West telling them to tell “Mandela” to give them jobs when they asked for employment from him.

Molefabangwe said the three of them were instructed by a certain man in the company’s reception to see their manager in an office that was shown to them.

The “manager” in the office asked them what they were looking for and after replying that they were looking for a job, the man told them to go to Mandela for a job.

The three youths felt humiliated by what they termed a “provocative and uncalled-for” statement.

“The man did not even listen when we tried to talk to him. He dismissed us as if we did not exist.”

The manager of Fox & Ullman is Mr Roodie Ullman.

He confirmed the allegations that he told the three youths to go to Mandela for employment.

“Yes, I told them that. What else could I have said? I have no job for them,” he said.
US unemployment claims rose by 43,800 to 473,600 during the week ended November 5, the labor department said in Washington yesterday. The increase brings the four-week average to 443,600 initial claims, compared with an average of 432,750 claims during the four-week period ended November 2.

Sanlam pessimistic about job prospects

Finance Staff

The expected economic upswing in 1993 will not be strong enough to relieve unemployment, Sanlam has warned.

After two years of negative growth, a positive growth rate of about two percent is predicted for 1992.

However, this will not be nearly enough to accommodate all new job-seekers in the formal sector, says Johan Louw, Sanlam’s chief economist.

Formal sector

Chances are that the number of unemployed will grow, he writes in Sanlam’s latest economic survey.

The formal sector’s ability to create jobs was reduced from almost four percent in the 1960s to an annual average of only 0,6 percent in 1985-89.

On top of that, job creation in the Eighties was mainly in the public sector.

Apart from lower economic growth, unemployment is being exacerbated by the high growth rate of the labour force, and the replacement of labour with capital in the production processes.

This is caused by a distortion of factor prices: labour has become much more expensive, and the relative price of capital has been influenced by low and even negative real interest rates, the unrealistically high value of the rand, tariff protection and taxes.

As a relatively low rate of economic expansion is foreseen, Sanlam expects wages and salaries to rise at a slower rate in 1992.

Excluding agriculture, increases of 14 to 15 percent are expected, as opposed to an estimated inflation rate of 14 percent.

A noticeable improvement in the consumer’s financial position is therefore not foreseen.

Other prospects for 1992 include:

- A somewhat higher gold price is predicted. Stronger industrial demand will contribute to the rise in the average gold price to $375, compared with $382 this year.

Expansive

- A mildly expansive government budget in March. Due to large expenditure claims, no meaningful tax relief is to be expected.

- The inflation rate should decrease slowly from the second quarter, to about 12 percent by December 1992.

An average annual rate of 14 percent is predicted, compared with this year’s expected 15,2 percent.
Job-loss protection for the high earners

By IAN SMITH

WIDESPREAD retrenchment, hitting skilled and managerial employees for the first time since the Second World War, has opened a market niche for the Sage and IGI insurance groups.

They have formed Sage Specialised Insurances (SSI), 80% held by Sage and the rest by IGI, to provide cover for retrenched professionals.

The first of two new policies is designed to cover up to 60% of monthly taxable income for retrenched or redundant employees who earn at least R1,600 a month. It is claimed to be the first policy of its type in the world.

Difficult

The BondPayer policy covers the retrenched employee earning at least R2,000 a month for up to 15% of bond instalments. The premium is designed to cover interest-rate increases and PAYE.

The increasing number of highly skilled and well-paid people who are being retrenched highlights the need for both policies," says SSI executive deputy chairman Morris Bernstein.

"The number of qualified people looking for jobs and the limited number of vacancies make it difficult to find new jobs quickly. The cover is designed to tide them over until they are placed.

Both policies will provide monthly payments for six months or a year.

Research carried out in preparation for the launch of the policies shows that it usually takes between four months and a year for an executive to find a new job.

The State Unemployment Fund (UIF) covers people who earn less than R1,000 a month. Retrenched executives are often forced to use their severance pay to meet monthly expenses and replace a company car.

SSI chief operations officer Tony Singleton says: "Retrenchment is beyond the control of the employee. Historically it has seldom figured in executives' regular financial planning."

The policies are open to employees between the ages of 18 and 55 who are retrenched because of the employer's lack of business or company closure and to those who become redundant because a post is eliminated. Retrenched employees must register with at least two approved employment agencies before they benefit.

Exclusions include job loss through ill-health, injury, pregnancy, strikes, misconduct, resignation and retirement.

Test research shows that 64% of eligible people questioned said they would include Job Loss cover in their financial planning and another 36% said they considered the option.

"This indicates there is a growing awareness of the risk of unemployment," says Mr. Singleton.

Record

Labour consultant Andrew Levy says it is impossible to make an accurate estimate of the number of unemployed people, but most surveys put the figure at between 40% and 50% of the economically active population.

The UIF announced a record payout of R188-million in benefits in the first eight months of the year.

Mr. Levy says: "For the first time in post-war history, skills give no guarantee of job protection. Our experience shows that clerical, professional and managerial employees are affected. They include large numbers of accountants, lawyers, stockbrokers, engineers, draughtsmen, architects, general managers, advertising and personnel executives."

He says retrenchments will increase as the recession continues and job openings

Tractors speed up

A rush to buy tractors after the introduction of VAT lifted sales to 481 in October from 393 in the same month last year.

The sharp improvement suggests that sales for the year could rise to about 3,000 units compared with forecasts of 2,500, according to the SA Agricultural Machinery Asso...
Helping to cope with the trauma of retrenchment

ONLY those who have experienced it can know the devastation and loneliness of retrenchment and the subsequent trauma of unemployment — factors which have motivated the Sage Group to launch two innovative products: Job Loss Insurance to cover the loss of one's job, and Bondpayer to fund mortgage bond instalments.

Shock background figures for the two products are given by labour consultant Mr Andrew Levy.

"It is impossible to give an accurate estimate of the number of people unemployed but most surveys postulate the amount to be between 40 and 50 percent of the economically active population," he says.

"The enormity of the problem is reflected in an Unemployment Insurance Fund announcement of a record payout of R803 million in benefits for the first eight months of the year — a 50 percent increase on the same period last year.

"The payout amounts to R100 million plus a month, the highest ever in the fund’s 25-year history."

Old Mutual in its latest economic forecast says the level of employment in the mining, manufacturing and construction sectors has reached its lowest level since the early 1980s.

However, retrenchment is not restricted to these categories.

"For the first time in post-war history, being skilled gives you no guarantee of job protection," says Mr Levy.

"Our experience shows that clerical, professional and managerial employees are also affected, including large numbers of accountants, lawyers, stockbrokers, engineers, draughtsman, architects, general managers, advertising and personnel executives.

"Retrenchment is now a reality at all levels and an analysis of company reports shows that many major companies have cut back on staff.

"Amid all this uncertainty, the announcement by Sage of their products, Job Loss and Bondpayer, must come as a welcome lifeline to those at risk."

The new products are underwritten by Sage Specialised Insurances, a recently formed associate of Sage Life, which is 80 percent controlled by the Sage Group with the remaining 20 percent held by ICI.

"The number of qualified people looking for jobs, coupled with the limited number of available positions, makes it difficult, particularly in recessionary times, for retrenched employees to find appropriate career positions quickly," says Dr Morris Bernstein, managing director of Sage Life and executive deputy chairman of Sage Specialised Insurances.

"It usually takes four to 12 months for an executive to replace the lost job, during which time he could experience severe emotional distress in addition to the inevitable financial readjustments.

"The State Unemployment Fund only covers those who earn less than R3 801 a month, so there is no support for retrenched executives who are forced to use up their severance packages in order to meet immediate financial commitments."

Research by Sage Specialised Insurances indicates that 34 percent of those eligible would include insurance for job loss in their financial planning, while an additional 38 percent will consider the purchase of the product.

Any employee between the ages of 18 and 55 with monthly taxable earnings of at least R4 000 and who has been with the same employer for 24 months is eligible for Job Loss Insurance.

On a salary of R4 000 a month, a monthly premium of R68 will secure a payout of R2 400 a month for up to six months, or the same amount for a year for a monthly premium of R152.

The Bondpayer policy will give R1 000 a month for six months for a monthly premium of R35, or R1 000 a month for a year for R58 a month.
Senior head-office staff at Middelburg Steel & Alloys (MS&A) are among 100 staff members facing retrenchment after the sale of the company by Barlow Rand to an Anglo American, De Beers and Gencor consortium.

Among those leaving are two MS&A directors, senior managers and highly qualified technical staff.

Samancor managing director Hans Smith says he will not confirm the retrenchments until after the signing of the final agreement between the Columbus stainless-steel consortium and Barlows in the next few days.

But he says about 90% of employees in middle and senior management positions have been informed of their situation.

Mr Smith describes the retrenchment terms for those who will go as "fair and reasonable".

Business Times has been told by an MS&A employee that some will go at the end of the year and others next April.

Win

He says some of those staying until April were warned they would be dismissed without severance benefits unless they "pull their weight".

Severance terms will be based on the number of years service times a percentage of annual salary in the 5% to 7% range.

Mr Smith says MS&A's Sandton head office will be closed in the middle of 1992.

The plight of MS&A employees is in contrast with Barlow vice-chairman Derek Cooper's brave words after the takeover of MS&A, which is to be incorporated in Columbus and Gencor's ferroalloy producer Samancor.

Mr Cooper described it as a "win-win-win" deal, saying: "Our people in MS&A have a better future in the industry they're in. The potential for them in a world-sized plant is unlimited."

One employee not to be retrenched is MS&A managing director John Gomersall who is also a member of the Barlow Rand board. Mr Gomers will be reassigned to a yet-unspecified post in Barlow Rand.

When making inquiries at the Barlow Rand head office, Business Times was referred to Mr Gomersall. He declined to comment on the retrenchments or to say whether any other MS&A employees would be taken on by Barlow Rand.

Retrenchments by the new management represent a radical break with MS&A's record of no layoffs when it was in the Barlow camp. The previous management recognised the cyclical nature of the industry and the disruptive effect of retrenching highly-trained people in recessions and recruiting them again in booms.
TRIBAL TROUBLE ... Xhosa workers fired from Prop Plant Hire are fighting their dismissal. [Photo: SIPHIWE MHLAMBI]

WHEN Krugersdorp boss Melehor Van Niekerk fired nine of his Xhosa workers, allegedly swore at them and told them to go to Nelson Mandela to get their wages, that's exactly what they did.

The workers went to the ANC head office in Johannesburg to report the matter to Mandela. They were referred to Cosatu and eventually to City Press for help.

Van Niekerk denies he dismissed the workers or insulted them, saying they were casual employees who were dismissed because the temporary work was finished.

"We called us kaffirs and said that all Xhosas must go. He told us he would not pay us our wages and we must go and cry to Mandela for our money," Mzwandile Vumbi said.

Van Niekerk denied he had discriminated against Xhosa-speakers.

The Legal Resources Centre is assisting the men to fight their dismissal.

Fired Xhosas go to Mandela [Photo: 24/11/91] (Contact: 335)
By CHARLENE SMITH

PROSPECTS for school leavers have never been so bleak.
Of the 380 000 pupils writing matric this year only 7% will find work.
These statistics are the result of research by Edwin Basson, economist at the Small Business Development Corporation.
Dr Basson is also on several private-sector and government committees looking at entrepreneurial development — ways to help those who cannot find work to set up and manage their own businesses.

Double

About 6.3-million of a potentially economically active workforce of 14-million are unemployed.
According to international experience, only 14% of the unemployed become efficient entrepreneurs; they will create enough work for the rest.
However, in South Africa only 7% of the economically active workforce are entrepreneurs (3% black and 5% white).
SA needs to double the number of entrepreneurs and aim for 17%.

An analysis of registered unemployment shows fewer than 500 000 people, but it is far from being accurate. But it provides a guide to employment trends.

Dr Basson says 22% of unemployment is among operators and semi-skilled people. Unskilled people form 27.5% of the unemployed.
Administrative, clerical and sales staff form the next largest group of unemployed at 18.4%.
The lowest numbers of unemployed are in technical fields (0.3%) and professional and semi-professional (1.1%).
Dr Basson says that because of SA’s economic decline there is no skills shortage at the top of the employment market. But there is one at the bottom end.

Unskilled people being trained by the Department of Manpower are finding it difficult to find work.
Dr Basson says, “Instead of having unskilled unemployed, they become skilled unemployed.”
He queries statistics claiming that in 10 or 15 years SA will have a shortage of 209 000 managers; saying, “That presupposes the present 6.3-million unemployed will find work.”

Dr Basson says 15 years of sanctions and negative real interest rates made it cheaper to employ capital than labour and resulted in an economy that cannot provide enough jobs.
“Financial sanctions had a particularly serious impact, but now that those are going, we find huge urbanisation and the import of unemployment from rural areas.”

Of the 6.3-million unemployed, 3.5-million are active in the informal sector. It is in this sector that the only growth in employment has occurred in the past few years.
Another 2.8-million are unemployed in SA and the TBVC states. A million of them are estimated to be active in subsistence farming and 1.8-million have no job.
It is those bottom-line 1.8-million that he feels need to be given technical training and financial management courses.

“Although schools are becoming aware of the need for these skills, nothing is happening yet at university and technical level.
Skills training faces two problems — there are not enough trainers and there is prejudice against blue-collar work. In addition, traditional training methods have to be re-evaluated.”

One of the measures the SBDC is looking at is television programmes about skills training and business management skills.

Either way there is not much to buoy matriculants as they write their examinations.
Sorry, boss tells angry trio

By Isaac Moledi

A white manager of a Johannesburg company who told three job-seeking Soweto youths to ask Mr. Nelson Mandela to give them jobs has apologised for saying so.

Mr. Roodie Ullman, who runs a cabinet-making company, Fox & Ullman, in Industria West, phoned Sowetan at the weekend, apologising for "telling those young men" to tell... "Mr. Mandela"... to give them jobs.

Ullman said he had not been aware that his remark "would create controversy" because he meant nothing by saying so.

Ullman was reported in Sowetan last week to have made these remarks to Mr. Simon Molefabangwe, Mr. William Hadebe and Mr. Baldwin Mphahlele, who had gone to his company to look for employment.

Ullman said: "I am sorry that those young men took it seriously. I didn't mean to hurt them. I was trying to tell them that my company did not have jobs."
SOUTH Africa's unemployment crisis, which has played an underlying role in the upsurge of crime and political violence in the past two years, is highlighted in the latest issue of Econovision.

Econovision, which is an official publication of several banks including Bankorp, Trust Bank, Bank Fin and Senbank, estimates that at the end of 1990 more than a million adults could not be accommodated in the formal sector of the economy.

**Acute escalation**

"We projected an acute escalation hereof in the next few years, with the above figure rising towards five million by the end of 1992 and possibly eight million by the end of the decade," it says.

Of those currently unemployed, it says, 90 percent are estimated to be below 30 years of age. Of the expected unemployed in the 1990s, 95 to 100 percent will be younger than 25 years.

Consequently, the crisis can be accurately described as a youth unemployment crisis.

Youth unemployment, after growing gradually during the 1970s, assumed crisis proportions in the 1980s and in the 1990s is fast becoming an avalanche which threatens to submerge the political-economic order.

It affects all groups, with many young whites and blacks experiencing equal difficulty in finding work.

**Publication paints a bleak picture**

This is in line with a South African Chamber of Business prediction that more matriculants will be without jobs next year because opportunities are shrinking.

Sacob also warned that if stayaways, boycotts and violence continued in the country, more employers would find themselves dismissing workers and adhering a tough "no work no pay" principle.

Econovision also says the country should aim at doubling its volume of non-gold exports every five years. But, it adds, even this would be inadequate to provide sufficient growth in the country's labour force.

The publication says that a large-scale domestic youth employment programme is needed.
113 workers retrenched

Staff Reporter

CAPE workers face a bleak Christmas with the announcement of 113 more retrenchments in the textile industry.

The Ivitex group has announced that its Modatex Textile Printing department in Epping is to close on December 13 and 113 workers are to be retrenched.

A spokesman for the SA Clothing and Textile Workers' Union (SACTWU) said yesterday employers had given workers "a sour bonus" this year in the form of 10,000 job losses nationally in the clothing and textile industry.

The spokesman said major factories such as Hebox, Frame's East London and Pinetex plants, RMB Dress and two Rex Trueform plants have closed and claimed it was as a result of bad government and employer policies.

In an attempt to diffuse the crisis a meeting was held this week with the government, the union and major employers.

Meanwhile, a working group appointed last week is to report to the

Minister of Trade, Industry and Tourism, Dr Org Marais, on strategies to diffuse the crisis in the textile and clothing industry.

SACTWU assistant general-secretary Mr Ebrahim Patel said yesterday: "We need a strong clothing and textile industry and the fight among employers is not helping to create a modern industry. We see the solution as needing a proper plan for the industry to restructure itself."

SAPA reports that about 554 workers from four Armacor subsidiaries — Somchem, Overberg testing range, Swartklip and Houwiek — will be retrenched.

These retrenchments will have a drastic effect on the quality of life of workers, who come from towns in the Western and Southern Cape.

Many workers will be re-employed on a contractual basis, Armacor has announced.

Already about 5,000 Armacor workers have been retrenched in the fourth quarter of this year as part of company rationalisation as a result of big cuts in the defence budget.
More jobs at risk in ailing textiles

MORE layoffs are predicted for the hard-hit textile industry in the new year.

Two plant closures this month cost 2,200 jobs, bringing the total lost in two years to more than 9,000, says Textile Federation executive director Brian Brink.

"We believe more closures are in the offing. Many factories which close in December for maintenance will probably stay shut for longer than normal. Some will not take back the full workforce."

Dumping

The fears lend urgency to the work of a private-sector committee which has been set up by Government to investigate the imbalances between the clothing and textile industries.

Textile manufacturers say they cannot compete with dumped imports. But clothing makers say they cannot buy the right textiles in SA at the right price and time to enable them to compete in foreign markets.

Exports have helped them to weather the worst of the recession.

The committee, representing all sectors of the industries, held its first meeting in Johannesburg this week. It is due to meet for two days in the coming week.

There are fears that the devaluation of the Zimbabwean dollar will add to textile manufacturers' import competition.

Mr Brink says Zimbabwean cotton producers benefit from government subsidies and their proximity to the SA market reduces transport costs.

The weakening dollar means Zimbabwean cotton comes in at prices SA producers cannot match.

Zimbabwe is one of the largest suppliers of cotton yarns to SA. In the first six months of this year, 44% of SA's cotton yarn and 16% of its cotton textile product imports came from Zimbabwe.

Mr Brink says the SA-Zimbabwe preferential trade agreement means some cotton products arrive duty free. Imports above the quotas are subject to duties.

However, some cotton imports from Zimbabwe cannot be explained.

It is suspected that they enter the SA Customs Union duty free through Botswana. It has a preferential trade agreement with Zimbabwe, says Mr Brink.

Furniture

While the textile industry is worried about the devaluation of the Zimbabwean dollar, furniture producers are not.

Acool managing director Keith Rogers-Lund says SA furniture makers have not picked up increased competition from Zimbabwe.

The SA furniture market is far more sophisticated than Zimbabwe's and transport costs are high, he says.
More jobs at risk in ailing textiles

MORE layoffs are predicted for the hard-hit textile industry in the new year.

Two ‘plight’ closures this month cost 2200 jobs, bringing the total lost in two years to more than 9000, says Textile Federation executive director Brian Britt.

“We believe more closures are in the offing. Many factories which close in December for maintenance will probably stay shut for longer than normal. Some will not take back the full workforce.”

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The SA furniture market is far more sophisticated than Zimbabwe’s and transport costs are high, he says.
Unemployment to rise says Sanlam

By IKE MOTSAPI (335)

The expected economic upswing next year will not be strong enough to relieve unemployment, Sanlam has warned.

Sanlam's media relations officer Mr Pieter Schoombee said at the weekend: "Following two years of negative growth, a positive growth rate of about two percent is predicted for 1992."

"However, this will not be enough to accommodate all new job-seekers in the formal sector," said Mr Johan Louw, Sanlam's chief economist.

He predicted that the number of unemployed people would grow.

Employment

Louw said the formal sector's ability to create employment had been reduced from about four percent in the sixties to an annual average of only 0.6 percent between 1985 and 1990.

"Unemployment is exacerbated by the high growth rate of the labour force and the replacement of labour with capital in the production processes," he said.

Louw said this was caused by the fact that labour "has become more expensive and the relative price of capital has been influenced by low and even negative real interest rates, the unrealistically high value of the Rand, tariff protection and taxes".
Hundreds laid off at Armscor subsidiary

ARMSCOR's missile-manufacturing subsidiary Kentron had retrenched 600 people, a source close to the company said yesterday.

The source, who asked not to be named, said the retrenchments took place on Friday.

An Armscor spokesman confirmed yesterday that retrenchments had taken place at Kentron, but said there had been only "about half" the number claimed by the source.

They formed part of Armscor's rationalisation programme, the spokesman added.

In September Armscor chairman Johan van Vuuren said 5,000 employees at Armscor and subsidiary companies would lose their jobs by early next year.

This follows the recent announcement of 1,300 retrenchments at Kentron's sister company Atlas Aircraft Corporation. More than 19,000 Armscor employees have lost their jobs in the past two years after cuts to the national defence budget.

Kentron was incorporated into Armscor in 1978.

VERA VON LIEES
and LINDEN BIRNS
Work for fewer than one in 10

Matrics facing huge jobs famine

By Michael Chester

Fewer than one in every 10 of the 400 000 new matriculants in the current crop of school-leavers can expect to find jobs waiting for them, according to shock economic surveys.

Employment scramble came with estimates that the entire formal business sector will have fewer than 40 000 job offers as the recession cuts down the demand for labour.

The predictions are bound to dampen the jubilation of 1991 matriculants as Transvaal schools chose today for the end-of-year holidays.

The bleak outlook for job-hunters was drawn yesterday by researchers at both the SA Chamber of Business and the Small Business Development Corporation.

SBDC senior economist Dr Edwin Basson warned that the formal sector had employment opportunities for less than 10 percent of the new job-seekers.

Vacancies

Even worse, Sasob chief economist Dr Ben van Rensburg said he feared that the number of vacancies would cover only 7 percent of all new matriculants.

Both agreed that the jobs famine would be even worse for school-leavers who had reached no higher than 8th or 9th levels.

"The new crop of school-leavers will also be in fierce competition with tens of thousands of youngsters who streamed on to the labour market a year ago and still stand in the unemployment queues," Dr Basson added.

"Even university graduates may find it hard to find a job, and may be forced to stay on at varsity another year to take an honours degree in the hope that job prospects will improve over the next 12 months."

The tragedy of unemployment will be even worse for the majority of black students, whose only alternative may be trying to eke out a living in the informal sector," he said.

The situation was likely to add still more emphasis to the role of the informal sector, which had generated the bulk of new employment opportunities in recent years.

Dr Basson estimated that out of a total of 14.3 million South Africans who could be described as the economically active population — between school and retirement age — no more than 8 million held jobs in the formal sector.

It meant that unemployment, on a technical definition, now stood at 6.3 million.

The growing informal sector, unrecorded in official statistics, had absorbed about 3.5 million of them. Another million had been forced to struggle to survive as subsistence farmers.

No fewer than 1.8 million had no job whatsoever — "no income to buy food and very often with little alternative but to turn to crime."

Dr Basson argued that South Africa would make a grave error if it relied solely on foreign investment to provide a higher rate of gross domestic product to solve its longer-term unemployment problems.

"We need radical new thinking about our economic strategies," he said.

"Even advanced economies like the US and Western Europe have found in recent years that self-employment has provided the main thrust to new job creation."

"In South Africa we need to heed the lessons and hammer out new strategies to suit its own immediate needs and priorities — housing, public transport, the production of more basic necessities such as clothing, footwear, furniture, food..."

"Each of these real priorities can be tackled by mini-businesses started by self-employment initiative."

"Over the next several years, to meet our socio-economic objectives, we need to encourage the idea of self-employment as a career in its own," he said.

Recruits eager to tackle crime, improve image

By Monica Oosterbroek

More than 1 000 newly graduated policemen and women began their careers on the Witwatersrand yesterday — the largest number of new recruits the region has yet received.
Survival: ‘Singing in the street, working from home’

Staff Reporter

INGENUITY will be the key to survival for jobless school-leavers, says Cape Town Chamber of Commerce human resources chief Mr Charli Adams.

He said that officially between 300 000 and 500 000 were unemployed in the Western Cape, but these figures were questionable because some might be employed in the informal sector.

Many opened spaza shops, of which there were now 22 000 in South Africa, with an annual turnover of R3 billion.

“Until the economy starts growing those who cannot find formal employment will have to survive by their ingenuity,” he said.

The job crisis should cause many, particularly those in the traditionally affluent sector, to be realistic.

“They will have to find some work to do from home, husk in the streets or look for like-minded people with whom to set up something,” said Mr Adams.

Bureaucracies should not be allowed to stand in the way of fledgling enterprises.

“I feel sorry for anyone who doesn’t have much schooling,” he said.

The president of the Afrikaanse Handelsinstituut, Mr Attie du Plessis, said the end of the recession appeared to be in sight.

The problem was how to re-energise the economy and to ensure the upswing lasted long enough to sustain economic growth and job-creation without stimulating inflation.

Mr Rob Lee, senior portfolio manager at the Board of Executors, said conditions for an eventual long and healthy upswing continued to fall into place.

Graduates too

“Even university graduates may find it hard to find jobs — and may be forced to stay on at varsity another year to take honours degrees in the hope job prospects will improve over the next 12 months.

Many students from more affluent families may have the option of moving straight on to university to escape joblessness. Others may be absorbed by National Service.

“The tragedy of unemployment will be even worse for most black students, whose only alternative may be trying to scrape a living in the informal sector.

“Employment prospects were bad enough last year. Now they are worse than ever.”

The situation was likely to add still more emphasis to the role of the informal sector, which had generated the bulk of new employment opportunities in recent years.
5 000 Armscor workers to go by April

The Argus Correspondent

PRETORIA. — Armscor has confirmed that 5,000 employees are to be retrenched by April next year, ending uncertainty which began in October when the intended cutbacks were announced.

An Armscor spokesman said yesterday the staff reduction was part of the company's rationalisation plan and all those affected had been informed.

Armscor first announced its intention of retrenching 5,000 workers on October 4, which started weeks of speculation and uncertainty among employees fearing for their future.

One of the last groups to be informed were employees at the missile subsidiary, Kentron, who were told of their retrenchment on Friday.

A source said about 600 people left the company after hearing that they had been retrenched.

However, the Armscor spokesman said yesterday the number was only "about half" that.

The latest retrenchments bring to 15,000 the number of staff laid off from Armscor and its subsidiaries since 1981.

A further 30,000 jobs have been lost as a result of cuts in defence spending, many of Armscor's contractors.\n
Racing up to the Jobs Famine

**Absorption Capacity of SA Economy**

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<th>Time (Years)</th>
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**Unemployment**

- **0%**
- **10%**
- **20%**
- **30%**
- **40%**

**Schools and Lassets Jobs Fund**

- **Schools**
- **Lassets**
- **Jobs Fund**

By Michael Cister
The latest retrenchment of 3,000 workers brings to about 15,000 the number of Amcor's employees to be affected by the company's rationalisation plans.

The retrenchment will affect about 600 employees, mainly in factories in Malaysia and Indonesia.

Amcor's chairman, Mr. Ken Kenyon, said that the retrenchment was necessary to increase the company's profitability.

The retrenched employees will be offered redundancy payments and assistance in finding new jobs.
Armscor workers laid off

The axe has finally fallen on 6,000 Armscor employees who will be retrenched by April next year ending months of uncertainty which began in early October when Armscor announced its intentions.

An Armscor spokesman confirmed yesterday that all 6,000 employees at the arms company’s Johannesburg plant had been informed of the retrenchments.

Retrenched employees would be leaving in stages with the final一批 at the end of March.

It was said the last of those affected by the retrenchment programme would be leaving at the end of March.

Armscor first announced its intention of retrenching 5,000 workers on October 4, starting weeks of speculation and uncertainty among employees fearing for their future.

Packed

One of the last groups to be informed of their fate were hundreds of Armscor’s missile subsidiary, Kentron, who were told of their fate on Friday.

A source close to Kentron said about 400 people were packed into their planes and left on Monday morning after hearing that they had been retrenched.

However, an Armscor spokesperson said the number of people retrenched was only about 400.

The latest retrenchment brings the total number of staff laid off from Armscor and its subsidiaries since 1981 to about 9,000.

The retrenchment programme is a result of a far-reaching rationalisation which will change the arms manufacturer into a viable commercial undertaking.
Down and out . . . but he's willing to work. One of South Africa's many unemployed and hungry people, who did not want to disclose his name, chose a space on a pavement in the busy cosmopolitan suburb of Hillbrow to highlight his plight and appeal for help.

Picture: Joao Silva
Buying time

Retrenchment insurance, introduced last month by Sage Specialised Insurance, has had an unexpected spin-off. Marketing di-
Unemployment fuels informal sector surge

UNEMPLOYMENT is fuelling the development of the informal sector in Newcastle, but without access to capital hundreds of would-be entrepreneurs are doomed to poverty and frustration.

Zimbambeleni Association spokesman Claude Hogana says: "People are being laid off by the big companies and unemployment is growing.

We encourage them to split their retrenchment packages into some form of informal business, but the infrastructure and capital just aren’t there to enable them to grow.”

Zimbambeleni—a Zulu word meaning “do it yourself”—was established two years ago to look after the interests of spazas, hawkers and vendors in Newcastle and neighbouring townships Madadeni and Osiweni.

Since then its membership has grown to around 4,500 businessmen operating throughout northern Natal.

While Zimbambeleni is an independent operation, it retains close working links with the Newcastle Town Council in a relationship which Hogana says is mutually beneficial.

Shelters

A project aimed at improving the lot of vendors in the town is to set up shelters and facilities in demarcated trading areas.

Town secretary Chris le Roux says the town has around 170 vendors trading on its streets.

“We first approached Zimbambeleni about keeping the area where the vendors gathered clean and there was a marked improvement.

“Now we are working together in the planning of a new bus and taxi terminus being developed by a Durban firm.

“This will incorporate storage facilities, toilets and washing facilities and shelters,” he says.

At this stage, Zimbambeleni can offer its members little by way of a long-term strategy. It is pouring its energy into coping with day-to-day needs.

One of the services it offers is the provision of buying cards to enable members to buy stock at discount prices.

“We also provide business training, often to people who are illiterate,” says Hogana.

“We teach them basic principles such as how to buy, how to price their goods, customer relations, stock control and so on,” says Hogana.

A problem facing the community, however, is transport.

“Madadeni and Osiweni are 20km from Newcastle. Spaza proprietors, vendors and hawkers don’t have storage facilities to enable them to buy in bulk but it is prohibitively expensive to travel into town every day or two to replenish their stocks.

“Because of this we are looking into the prospect of providing warehouse space where our members can store their goods before selling them on,” says Hogana.

“A lot of stock is lost on the way to and from the town centres,” says Hogana.

A further project taking shape is the development of a gas station in Madadeni, with the aim of reducing transport costs.

“More people are using their motorbikes. But it is very dangerous to travel on them,” says Hogana.

A problem is the lack of finance.

However, the association is currently seeking a loan to fund the development of the new bus and taxi terminus, which is due to be completed in December.
Employment had been battered more severely in the current "relatively mild" downswing than in any of the recessions in the past 20 years, according to the latest Reserve Bank Quarterly Bulletin.

Unemployment had compared relatively favourably with other recessions up to the third quarter of last year, after which job levels plunged to levels substantially below those of previous downswings.

Non-agricultural private sector employment had been hardest hit with employment slashed by 5.5% and 3.8% (seasonally adjusted and annualised) in the first and second quarter of this year.

Incomplete information for the third quarter showed a continuation of this trend, the Bank said.

Public authority employment fell by 1.9% in the second quarter after a 4.8% increase in the first quarter.

The Bank said important factors contributing to the exceptional decline in employment had been the length of the recession and the fact that it had started after a number of years of low production and employment growth.

Sporadic internal unrest and the general mood of uncertainty about political developments had affected new and existing business investment.

A slight 0.5% uptick in gross domestic output disguised a deeper recession on the spending side of the economy in the third quarter of the year.

Fixed investment and spending by government and individuals had fallen sharply, leading to a 0.3% decline in gross domestic expenditure, compared with a 6.7% increase in the previous quarter.

Government consumption expenditure, which had expanded at relatively high rates in the preceding four quarters and had underpinned total spending, decreased by 24.1% in the third quarter.

Real private consumption expenditure eased by 1.9% and real fixed investment slipped by 11.5%.

"The faster rate of decline in real fixed investment spending in the third quarter was brought about by reductions in real capital formation by both the private and public sector," the Bank said.

A 9% annualised cutback in private sector investment in the third quarter was widespread and encompassed mining, manufacturing, commerce and finance.

Despite the deeper recession in the third quarter, the Bank remained optimistic that the outlook for the economy would be "moderately better" at the beginning of next year and that there would be a small positive real growth rate in gross domestic product during 1992.
Numsa said the workers were due for retrenchment today. It said it would appeal for support from its members in other plants, from the Cosatu and the "tripartite alliance", and from the International Metalworkers' Federation.
Hiveld fires strikers
More than 4,000 workers at Anglo American's Highveld Steel Corporation downed tools over demands for "meaningful discussions" on the retrenchment of 600 colleagues, according to the National Union of Metalworkers. The company said workers at the plants involved—Highveld Steel, Transalloys and Rand Carbide—returned to work on Tuesday.
Highveld strike to fight layoffs

WITBANK — All the black workers at Highveld Steel, the huge iron and steel manufacturer in Witbank, resumed their strike yesterday in an attempt to stop the company retrenching 600 employees.

About 4 000 workers downed tools again following their brief work stoppage on Tuesday, National Union of Metal Workers of SA (Numsa) spokesman Frank Boshiele said yesterday.

Attempts to negotiate a compromise on Wednesday had failed, said Boshiele.

Numsa first attempted to convince the company that it should retain the services of the 600 workers and then, apparently conceding that the retrenchment would go ahead, negotiated with management over a settlement package for the affected employees.

Boshiele said the company was offering a retrenchment package of two weeks' pay for every year a worker had been employed.

Numsa was demanding four weeks' pay for each year.

He conceded the strike was illegal in terms of the Labour Relations Amendment Act, because no strike ballot had been conducted.

"The problem is that the company wants to retrench the 600 workers tomorrow. There is no way to block them except by an immediate strike."

The company gave notice of their intention to retrench on November 12, just three weeks before the 600 employees were to lose their jobs, Boshiele said.

Numsa expects the company to seek legal means to force the strikers to return to work.

It says it will oppose such action and the strike will continue.

Only white employees were at work at Highveld Steel's three plants in Witbank yesterday.

Management confirmed the strike and said negotiations would continue early today.

It said workers had downed tools at Vantra, Transalloys, Rand Carbide and Highveld Steel yesterday. — EPA.
4000 steel men out on strike

By THEMBA KHUMALO

AS Christmas draws near, 4000 black workers at Highveld Steel Corporation in Witbank have downed tools in protest against the retrenchment of 600 of their colleagues.

The strikers, most of whom are members of the National Union of Metalworkers of South Africa (Numsa), have vowed not to return to work until the management agrees to hold meaningful talks with them on the retrenchment issue.

A statement issued by the strikers claimed that the employers refused to discuss a severance package or any alternative arrangement.

"The standard agreement for the industry provides that companies will consult in good faith with a view to reaching agreement on any retrenchment or redundancy. This was an agreement between Seifsa and the metal unions."

It went on to say management failed to inform the retrenched workers in time about their pending plight.

The corporation's management was not available for comment.

Meanwhile, about 150 workers at Cuthberts, Barnes and ABC shoe stores have entered their third week on strike.

They are demanding a R1 200 minimum wage, a R250 across-the-board increase, a 13th cheque and improved working conditions for black staff.

According to Stanley Mngomezulu, spokesman for the South African Commercial and Catering Workers' Union (Saccawu), discrimination against black workers is rife at the three stores.

There is disparity in salaries between black and white staff doing the same job.

Paul Garper, personnel manager for the stores, said racial practices were against his company's policy and anyone found practicing racism was dealt with.

"The strike is about the recognition of Saccawu and the other demands have just been added to make the strike big. In all, our stores Saccawu is supported by only 176 employees out of a total of 1200."
Huge job, earnings losses in pipeline

Own Correspondent

MASSIVE retrenchments — early estimates show the loss of more than 20,000 jobs — could also result from local content amendments for the motor industry.

And local motor component manufacturers could lose up to R1.6bn in earnings over the next two years as a result of new models coming to the market under amended Phase VI requirements.

National Association of Automotive Component and Allied Manufacturers (Naacam) president John Brandtner said yesterday that tens of thousands of jobs could be lost.

He said the new Phase VI ceiling of 75% on local content to achieve the 90% target would increase the excise duty charged on manufacturers' sales, which would discourage motor manufacturers from extending their local content now to achieve the maximum rebate level.

National Association of Automobile Manufacturers of SA (Namasa) director Nico Vermeulen said that, if the local component manufacturers were allowed to drop the introduction of new models, even the weak rand would be cheaper to source components offshore.

However, he said importing components would result in a drop in new car prices in the long term.

A leading industry analyst confirmed Naacam's fears and said more than 12 new models were expected to be introduced by the five manufacturers during 1992.

The Phase VI programme applying to local content was amended by the Board of Trade and Industry last week. The changes include a dual local content system based on export earnings at 59% and non-export earnings at 50%, which manufacturers have to exceed to avoid penalties.

In turn, manufacturers exceeding the minimum targets will qualify for rebates against an excise duty of 40% charged on motor sales.

Naacam estimates pegged the present value of manufacturers' local content at about 72% including exports. Brandtner expects that, combined with growing export sales, the industry would begin scaling down its true local content possibly to the statutory minimum level of 60%, excluding exports.

The local content level is based on a combination of manufacturers' operating costs, export sales and "true" local content use. Naacam estimates show a breakdown of the overall local content at 27% costs; 41% exports and 37.4% true local content. Brandtner expects the true local content to drop to about 25% over the next two years.

Toyota SA chairman Bert Wessels said the changes to Phase VI would allow manufacturers to improve forward planning.

Wessels said stability was essential in an industry that had lead times in excess of two years in component or new model localisation programmes.

R250m Delta injection

Own Correspondent

PORT ELIZABETH — Delta Motor Corporation is to invest a further R250m in Port Elizabeth by the end of next year.

CEO Keith Butler-Wheelhouse said all the money for the development would be sourced from within the company.

"During its five years of operation, Delta has managed to generate sufficient profits and cash for the quarter-billion rand investment to be made without incurring any debt for the company.

"This is unusual in a business as capital intensive as the motor industry."

The money will be used for new model tooling, plant expansion and improvements to facilities and equipment.

Meanwhile, Tokyo-based Honda Motor Company and Mercedes-Benz SA have disclosed plans to boost SA Honda Ballade sales in 1992. Reuters reported yesterday that Honda Motor Company would lift its knock-down kit exports of the Ballade to SA to 10,000 units in 1992 from 7,000 units in 1991.

Wendy Hoffman, spokesman for Mercedes-Benz which assembles the kit locally, confirmed the export deal of the new Ballade model which came onto the market in mid-1992.

She added growth in sales of the present Ballade had been held back because of volume restrictions imposed by Honda as a result of sanctions. "Honda Japan wants to resume the level of business they enjoyed with SA during the mid-1980s."
Six fired as wages used to pay bail

SIX workers at Waterberg Security in Marble Hall were last week dismissed without pay after their salaries were allegedly used to bail out two white employees charged with murdering blacks.

The two white employees, Mr Fanie du Plessis (26) and Mr Johann du Plessis (24), sons of the owner of the firm, Mr J du Plessis, allegedly murdered two blacks about two weeks ago.

They are charged with murder and abduction together with three other white men.

The six workers were dismissed last week following the first court appearance of the five men.

They said Du Plessis, the father, told them they were fired and he could not pay their November wages because he had used all his money to pay bail for his sons.

They then approached the National Workers Union of SA for assistance, said union spokesman Mr Hendrik Ngwenya.

An official at the Groblersdal office of the Department of Manpower confirmed that the six men were being assisted by his office.
FIVE UCT workers have been dismissed following disciplinary hearings relating to a strike earlier this year.

A total of 47 workers face disciplinary measures and all hearings should be completed by the end of this week, according to the university "court" roll.

Mr Harold Harvey, spokesperson for the Transport and General Workers Union, has voiced disapproval at the ongoing procedures.

“We have found disciplinary measures so far to be very inconsistent. Other than the five who have been dismissed there have been 12 or 13 others who have been issued final warnings for offences more serious than that committed by those dismissed,” he said.

The September strike followed deadlocks on several issues during wage negotiations. Demands included a R900 across-the-board increase and more say in the restructuring of the university.

Lectures were disrupted and burning barricades were erected at university entrances during the strike.

“We are still in dispute with the administration on the issue of disciplinary action and are suggesting mediation on this and all other issues and ways of re-establishing our relationship with the administration,” Harvey said.

“This has been made more difficult as management has embarked on a retrenchment exercise in the canteen area. We have submitted to them that doing this is in breach of Industrial Court guidelines.

“They haven’t consulted with us on the necessity of these retrenchments, ways of avoiding or minimising them or the selection criteria of those to be retrenched,” he said.

The union sees this as a further attack on them as most of those who are to be retrenched took part in the strike action.

UCT registrar Mr Hugh Amooe denied not consulting TGWU. “We have consulted and we will continue to consult,” he said. He declined to comment about the disciplinary hearings as he was busy with graduation ceremony preparations.
Retrenched miner lives on the edge

By Thabo Leshlo

Gladman Nqwiliso fears the prospect of waking up one day to find that he and his family are without a roof over their heads.

The father of three young children is one of about 60 residents of Khuma township, Stilfontein, who live under the threat of losing their homes because of the closure of the Stilfontein Gold Mine.

The former catering worker now depends on a monthly unemployment benefit payout of R724 and has to pay a monthly bond of R530 on his single-roomed house.

Mr Nqwiliso, like many others, blames Genmin, owners of the Stilfontein mine, for his predicament, saying Genmin should have foreseen the demise of the mine and not "encouraged" him to buy the house. The mine should pay his bond.

Genmin managing director Gary Maudé denied the company had encouraged the miners to buy houses even though it had been aware the mine would close.

"There is no way anybody could have known the price (of gold) would fall," he said.

So far, 2 600 miners have been retrenched.
Retrenchment talks continue

VON LIEBERGER

TALKS between the National Union of Metalworkers (Numsa) and management at Iscor's Highveld Steel plant on the retrenchment of several hundred employees were expected to continue today, a Highveld official said.

This follows a return to work by nearly 4000 workers who had been engaged in illegal industrial action at all four Highveld plants near Witbank since last Tuesday because of the retrenchments.

Meanwhile, management at Iscor's Durnacol mine in Natal yesterday accepted a request by the NUM for mediation on the re-employment of 3100 workers.
The Bureau of Labor Statistics has been tracking the rate of unemployment in the U.S. for over 100 years. The data shows that since the mid-20th century, the unemployment rate has fluctuated widely, with periods of high unemployment during economic recessions and periods of low unemployment during economic expansions. In recent years, the unemployment rate has been consistently low, but it has also been accompanied by a decline in the rate of job creation, which has led to concerns about the quality of the jobs being created. The Bureau of Labor Statistics notes that while the unemployment rate may be low, it is not indicative of a strong labor market, as many people are working in low-wage, low-skill jobs.

In the three years leading up to the recession, the unemployment rate was consistently under 5%, which is considered to be a sign of a healthy labor market. However, during the recession, the unemployment rate soared to over 10%, with millions of workers losing their jobs. The recovery from the recession was slow, and it took over a decade for the unemployment rate to return to pre-recession levels.

In recent years, the unemployment rate has been consistently low, but it has also been accompanied by a decline in the rate of job creation, which has led to concerns about the quality of the jobs being created. The Bureau of Labor Statistics notes that while the unemployment rate may be low, it is not indicative of a strong labor market, as many people are working in low-wage, low-skill jobs.

Some gains but many job losses

Labour

THE WEEKLY MAIL, December 19 to 26, 1991
Government urged to tackle unemployment

The Argus Correspondent

JOHANNESBURG. — The government has been urged by the Department of Economics at Pretoria University to launch a dramatic new assault on the unemployment problem by a sweeping expansion of the informal sector.

Special studies have recommended the injection of between R1 billion and R2 billion into programmes to provide thousands of jobless workers with the chance to start mini-businesses of their own.

Action should also go hand-in-hand with the removal of any outdated regulations that still hamstring individual enterprise.

The researchers argue that the programme could easily be financed by central government and local authorities by a reallocation of expenditure priorities rather than an overall increase in public spending.

The proposals follow disclosures that the formal business sector may have vacancies for fewer than one in every 10 of the current crop of 400,000 matriculant school-leavers as the recession drags on and worsens the unemployment dilemma.

In particular, the scheme should concentrate on the creation of a nationwide network of "hives of industry" — the sort of complexes pioneered by the Small Business Development Corporation and tailor-made to house scores of entrepreneurs putting their skills into their own mini-ventures.

The studies have emphasised the enormous potential role of the informal sector to give a new boost to the whole economy — as proved by the economic miracles achieved by several Far East countries.

The researchers insist the cost of the programme would be modest.

Funds should be channelled through specialised agencies like the SBDc, which had created well over 300,000 new employment opportunities since it was conceived 10 years ago.

The studies also advocate the introduction of a "fair business code" to put small ventures on an equal footing with big firms.

Deregulation on a massive scale, especially at local level, should be implemented as thoroughly as possible, it is argued.

"The role of small and medium businesses — in respect of income generation, employment creation and promoting individual initiative and creativity — should be publicised much more widely than in the past," says a special report.

"In addition, occupational and career guidance in the schools should not be limited to employment opportunities (in the formal sector) but specifically emphasise the opportunities of entrepreneurial action.

"Some training in entrepreneurial and management skills could form part of formal school curricula, while facilities for this type of training should be available and more easily accessible throughout the community in general."

The researchers said the informal sector had already started to prove its potential clout in countering joblessness. They believed the Central Statistical Service had badly underestimated the size of the informal sector in an October 1990 count that estimated its current labour force at around 2.8 million.
**Armscor reaches new heights**

By Helen Grainge

Armscor yesterday unveiled a technological breakthrough in the form of a carbon fibre two-seater fixed wing aircraft – the first of its kind to be made in SA.

The aircraft is the result of a project launched by Armscor and the Council for Scientific and Industrial Research to develop sophisticated composite materials which will have major technological advantages for SA.

Composite material refers to the application and binding of fibre in such a way that particularly high ratios of strength to mass are attained. Besides this advantage over steel and aluminium, the material is also rust-resistant.

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**Two more of Sharpeville Six to be released today**

By Shirley Woodgate

Two more of the Sharpeville Six who were sentenced to death in 1956 for their part in the killing of Lekota and Khumalo during the Vaal Triangle unrest in 1954 will be released today, said their lawyer, A. Sonan.

They are Reit Mokeena and Theresa Ramashamoile, who were found guilty of murder with Oupa Diniso, Joshua Khumalo, Reginald Selatsa and Don Mothesi exactly five years ago in the Pretoria Supreme Court by Mr Acting Justice Human.

Two members of the "Six", Diniso and Khumalo, were released in July this year after sentences of the five men and one woman were commuted to terms of imprisonment ranging from 18 to 25 years.

Mr Khumalo, who planned to pick up Mr Mokoena at Leeuwof Prison this morning, said the prisoner was being freed on his birthday.

"On the one hand, two more of the Sharpeville Six are being released, but, on the other, two are still sitting in jail."

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**Prizes for a poster**

Calling all young Star readers ... you can win super cash prizes up to R200 in our new Peace Poster Competition.

If you are between six and 14 years old and can draw, even a little, don’t miss out on your chance to top up your piggy bank.

All you have to do is design and colour a poster aimed at promoting the cause of peace in South Africa.

Think you would like to give it a try? Full details are in the Saturday Star’s Weekend section tomorrow.

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**Retrenched miner lives on the edge**

By Thabo Leshino

Gladman Nqwiliso fears the prospect of waking up one day to find that he and his family are without a roof over their heads.

The father of three young children is one of about 60 residents of Khuma township, Stilfontein, who live under the threat of losing their homes because of the closure of the Stilfontein Gold Mine.

The former catering worker now depends on a monthly unemployment benefit payout of R24 and has to pay a monthly bond of R350 on his ½-roomed house.

Mr Nqwiliso, like many others, blames Gemmi, owners of the Stilfontein mine, for his predicament, saying Gemmi should have foreseen the demise of the mine and not "encouraged" him to buy the house. The mine should pay his bond.

Gengold managing director Gary Mawde denied the company had encouraged the miners to buy houses even though it had been aware the mine would close.

"There is no way anybody could have known the price of gold would fall," he said.

So far, 2,600 miners have been retrenched.
Mini-businesses will create jobs, Govt told

By Michael Chester

The Government has been urged by the Department of Economics at Pretoria University to launch a dramatic new assault on the unemployment problem by a sweeping expansion of the informal sector.

Special studies have recommended the injection of between R1 billion and R2 billion into programmes to provide thousands of jobless workers with the chance to start mini-businesses of their own.

Action should also go hand in hand with the removal of any outdated regulations.

The researchers argue that the programme could easily be financed by central Government and local authorities by a reallocation of expenditure priorities, rather than an overall increase in public spending.

The proposals follow disclosures that the formal business sector may have vacancies for fewer than one in every 10 of the current crop of 400,000 matriculant school-leavers as the recession deepens on and worsens the unemployment dilemma.

In particular, the scheme should concentrate on the creation of a nationwide network of “hives of industry” — the sort of complexes pioneered by the Small Business Development Corporation (SBDC) and tailor-made to house scores of entrepreneurs putting their skills into their own mini-ventures.

The studies have heavily emphasised the enormous potential role of the informal sector to give a new boost to the whole economy — as proved by the economic miracles achieved by several Far East countries.

The researchers insist that the cost of the programme would be modest when compared with the impact in socio-economic terms.

Funds should be channelled through such specialised agencies as the SBDC, which had already created well over 200,000 new employment opportunities since it was conceived 10 years ago.

The studies also advocate the introduction of a “fair business code” to put small ventures on an equal footing with big firms.

Deregulation on a massive scale, especially at local level, should be implemented as thoroughly as possible, it is argued.

“The role of small and medium businesses — in respect of income generation, employment creation and promoting individual initiative and creativity — should be publicised much more widely than in the past,” says a special report.

“In addition, occupational and career guidance in the schools should not be limited to employment opportunities in the formal sector but specifically emphasise the opportunities of entrepreneurial action.

“Some training in entrepreneurial and management skills could form part of formal school curricula. While facilities for this type of training should be available and more easily accessible throughout the community in general.”

The researchers said the informal sector had already started to prove its potential in countering unemployment.

They believed the Central Statistical Service had badly underestimated the size of the informal sector in an October 1990 count that estimated its current labour force at around 2.8 million.

“Whatever the actual figures may be,” said their report, “small-scale informal economic activity serves to redress at least two vexing problems in the South African economy: it significantly reduces the level of unemployment and raises the income share of persons in the lowest brackets of the income scale.

“The existence of a multitude of small producers across all sectors of the national economy is essential.”
SAMANCOR is expected to retrench about 400 employees at the Middelburg Ferrochrome plant—previously Middelburg Steel & Alloys Chromium.

The plant has a complement of about 3,000.

MS&A was taken over by Samancor in September.

Notice of retrenchment was given to more than 100 employees at MS&A head office in November.

Samancor declines to confirm the scale or terms of the retrenchments because no finality has been reached.

Samancor general manager, chrome, Wilrich Schroder says “discussions with employees and employee representative organisations regarding rationalisation are under way”.

LOSSES

Mr. Schroder says the rationalisation of its operations is due to market conditions prevalent in the ferrochrome industry. These have forced producers to explore all possible avenues in order to remain alive.

It is believed that the primary objective of the retrenchments is to reduce the staff complement at Middelburg to one comparable with other Samancor ferrochrome operations—Ferrometals and Tubatula.

However, shelving of the Chrome Direct Reduction (CDR) plant and persistent losses at the low-carbon ferrochrome factory have aggravated the position. The scale of the retrenchments reflects the different business philosophies of MS&A and Samancor.

John Hall, director of Barlow Rand and former chairman of MS&A, says he introduced a co-retrenchment policy in 1975 which took into account the cyclical nature of the business. This resulted in a stable labour force.

In spite of overstaffing in times of depressed demand, MS&A’s production costs compare favourably with those of other ferrochrome producers.

A Middelburg employee who has been given notice of retrenchment expresses anger about Barlow’s alleged indifference to the fate of its former employees. He says he feels like a “puppet on a string”.

Mr. Hall denies that Barlow is indifferent and says the “wellfare of people who would inevitably be retrenched was of primary concern to Barlow and they were involved with the new owners (of MS&A’s stainless-steel and ferrochrome companies) to achieve generous retrenchment packages”.

However, he declines to say how generous because this could set a precedent. He says head-office employees who declined offers of transfers to Middelburg still received retrenchment packages.

Retrenchment terms at the plant are believed to be similar to those offered to MS&A head-office employees—5% to 7% of annual remuneration package times the number of years’ service.

There is dissatisfaction about the basis of selection of employees to be retrenched. It is also alleged that no company contributions to the pension fund will be paid out to retrenched employees.

The employees’ contributions will be repaid at an accrued rate of interest of only 2%.

HARDSHIP

Mr. Hall says negotiations were held with each employee and every attempt is being made to avoid hardship. A list of MS&A retrenchees has been circulated throughout the Barlow group in an attempt to place them.

A labour lawyer consulted by some head-office retrenchees describes the terms as “quite generous”. But the retrenchments, from the national and rural point of view, were handled badly in the early stages. Employees were faced with a fait accompli and there was inadequate consultation.
Co-ops hit back at unemployment

By Trevor Pandy

South Africa

Co-ops are growing in numbers, but are under threat from unemployment. The co-ops are innovative and offer a variety of opportunities for workers.

The co-ops have shown that they can provide a viable alternative to traditional employment, offering workers the chance to take control of their own destiny.

The co-ops are not just for the poor, but are accessible to all, offering skills development and training opportunities.

The co-ops are not perfect, but they are working towards a better future for all.

The co-ops are located throughout South Africa, offering a range of services to workers.

The co-ops are not just about employment, but also about community development and social cohesion.

The co-ops are a success story, and should be supported and promoted by all South Africans.
Armscor aids its jobless

LINDEN BIRNS

Armscor has recommended to its retrenched workers that they contact a Pretoria-based consulting agency for retraining in other careers.

Pamflettes advising workers to contact Mandevco Consultants in Sunnyside accompanied the retrenchment letters given to several hundred Armscor employees recently, a spokesman for the agency confirmed.

For a fee of R1 000, retrenched Armscor staff would be able to use training facilities at Mandevco's Job Success Centre which is to be opened in January. Mandevco director Janneke Erasmus said.

Armscor has allocated R1 000 to each retrenched staff member for further training. The money is available for three months after the severance date.

Erasmus said the Job Success Centre would operate between January 6 and March 30 1992.

In September, Armscor chairman Johan van Vuuren announced that 5 000 staff members were to be axed by April 1992.
Technical skills young job-seekers’ key to future

SCHOOL-LEAVERS’ best hope of finding and keeping work is to offer employers technical skills, says Programme for Technological Careers executive director David Kramer.

Unemployment figures in the technical fields were low — 0.3% as opposed to the national average of more than 40%, said Kramer.

“But it is precisely here that we have failed... as fewer than 1% of the 1991 black matriculants will have passed in technical subjects. Of the more than 200,000 who do not pass matric, a depressingly small percentage will even have attempted maths and science, which places them (failed matriculants) at a permanent competitive disadvantage.”

Government’s recent announcement of a draft model for school education with its emphasis on the need to move away from an academically-oriented system to one directed towards vocational training was a very positive development, Kramer said.

It indicated a recognition of the need to create a relationship between the education system and the economy. However, government could only solve the problem in education if, in the long term, there was a partnership with business and the community, he said.

One of the fundamental problems centred on the poor learning culture and lack of motivation in the classrooms. In addition, teacher motivation was lacking in many instances. It was paradoxical that while employers were crying out for workers with technological skills, about 40% of SA’s economically active population could not find work in the formal sector, Kramer said.

Paradox

Of the more than 14-million people looking for work, only about 8-million had jobs, with more than 40% of the population being job-seekers who had little hope of finding employment.

“The paradox is that by the turn of the century SA will have almost a million fewer skilled workers than the economy will need.”

To meet the expectations of job-seekers and alleviate the desperate socio-political problems of joblessness, SA needed an annual growth rate of about 7%. However, while in all modern economies technology was the prime generator of wealth, SA did not have the technologically competent workforce either to achieve or sustain the desired level of growth.

For a variety of reasons, which included a lack of facilities and lack of skilled teachers, maths and science were neglected or rejected at black schools.

“But it is these subjects that give students a head start, and we fail to help them in their career planning if we do not stress that, as school-leavers, they must have achieved certain levels of technological competence if they are to find meaningful employment.”

Ways of guiding young people in the correct decisions included career counselling and visits to career centres, encouraging tertiary study in technical fields at universities rather than universities, encouraging students to enter apprenticeships, and encouraging students to look for employment in technical areas which afforded further training opportunities, although initial salaries or wages could be lower, said Kramer.

Liquor Act exemption
New Nation to retrench 3 workers

THREE employees of the New Nation weekly newspaper are likely to lose their jobs unless a viable alternative is found between January 9 and January 15 next year.

The three - V Skosana, B Mthali and M Mntibhalana - were given notices of retrenchment last week and told not to fulfil any of their duties or report to work except when consulting with the management to examine any viable alternative to their retrenchment.

According to New Nation editor Mr Zwelile Siuta the three have been retrenched because the company is facing funding problems and can no longer run departments which are not essential to the running of the paper.

Siuta said as the funders of the paper had "practically" withdrawn their financial support, the exercise of retrenching the three staffers were "an attempt to ensure the continued existence of the paper".

He said the retrenchment of the three, who are in non-essential positions, could help the paper solve of its problems and afford management the opportunity and time to avoid large-scale retrenchments and "possibly even the closure of the company".
Labour

ECONOMY and Finance

Some Gains but Many Job Losses

The Weekly Mail, December 13 to 19, 1981