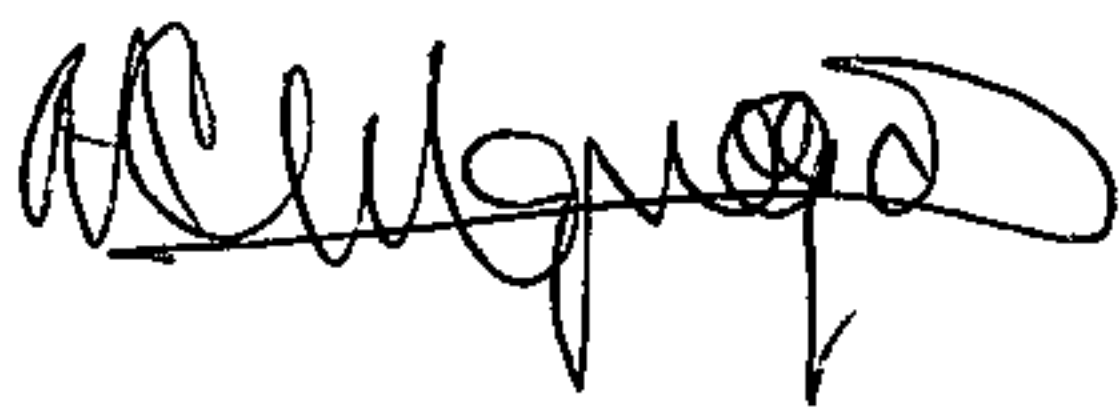


UNEMPLOYMENT - 1991

JANUARY — JULY

N.B This FILE had to be re-done
due to the careless users -
please this must not happen again!

By Order


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 package (335)

The retrenchments result from the Chamber of Mines' November announcement that R50m is to be cut from Comro's research funding over the next two years. Because of the large number affected,

ROBERT LAING

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 estab-

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Comro

lished: 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.

□ From Page 1

Pessimism over job possibilities

8/10/91 SEAN VAN ZYL

335

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 156 756 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.

Elmich 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 Lynn 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 Penny Ferrer said the market contracted by about 60% 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 White 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.

By ADRIAN HERSCH

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

Unions press on despite jobless rise

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 effecting some 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&A expect 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 64% of all wage negotiations involved industrial action — a marked increase on previous years.

Negotiation time averaged more than 80 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 last year lost were in the State sector (24%), followed by retail (22%), metal and manufacturing (9%) and printing (9%).

The strike with the most mandays lost (210 000) occurred at OK Bazaars 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 971 263 to 1 155 967 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 Ngcukana 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 discipline, streamlining negotiations. But the legislation does not represent "a complete law" for strikes and lockouts.

Hundreds of jobless flock to Moss gas

South 17/11-23/11/91

From Makhaya Mani
Oudtshoorn 335

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 Moss gas Project which reopened this week.

Although Moss gas 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 Moss gas 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 Moss gas 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.

Moss gas officials refused to comment.

He said a valid criticism was that the IDC had too much tied up in mature investments such as Sasol and Foskor. But this shareholding could be sold as and when funds were required.

Planning for the privatisation of the phosphate manufacturer was proceeding, requiring only a more favourable market and the go-ahead from government.

Van der Merwe said this could take place later this year. Two possibilities were selling to a group or consortium, and/or listing part of Foskor on the JSE.

showed the high cost of creating new jobs in SA, because typically the IDC financed only buildings and plant, the balance of the costs being financed by commercial banks and shareholders.

He said the cost of financing new jobs was too high (about R100 000 a job) because the labour cost had increased and become unreliable and insufficiently productive. Industrialists therefore preferred to invest in capital equipment to replace labour.

"Many firms are phasing out labour because it has become unreliable. Small

□ To Page 2

Gengold sets up retrenchment fund

GENGOLD has 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 quarterlies, 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

□ To Page 2

Gengold

extended home leave period and of up to 90 days unpaid leave as a way to minimise retrenchments without compromising profitability. Anglo reduced the planned retrenchment of 7 800 workers to 1 800.

Gengold has cut its workforce by 35% since July 1988, from 92 000 mineworkers to 60 200 by December last year.

Maude yesterday reiterated his warning that at least 10 000 jobs would be a risk by the end of this quarter if there was no sustained increase in the gold price.

Gengold senior consulting engineer Kobus Olivier said yesterday 2 215 mineworkers were retrenched in the last quarter. This was below the average quar-

terly 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 R11,8m 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.

● See Page 9

□ From Page 1

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."

Thousands jobless as slump stings even the skilled

S/imes 20/11/91.

335



ASH EMERY: Nothing like it in 10 years

"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, Comro, 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-Comms. 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 60 000 in 1990."

Seifsa employment at August 1990 numbered 385 200 — 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 1 500 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

0 10 ay 21/11/91
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 42% 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

PETER GALLI

scene, coupled with the recession, it is critical that employers reward competent, key employees to retain these staff members," FSA-Contact said.

About 26% 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 R600m compared with just R406m in January-September 1989.

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. (127) (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; South 24/11 - 30/1/91
- Refused 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.

Lekoa set to write off R120m owed

THEO RAWANA

THE Lekoa Town Council yesterday decided to write off a rent-and-services debt of at least R120m which residents of the Vaal Triangle township have built up over six years.

Lekoa town administrator Jaap Joubert said in a statement the council had reached agreement with, among others, Sebokeng, Sharpeville, Bophelong and Botjatsong, which were under its control. "The exact amount to be written off could not be ascertained last night, but the council was R120m in arrears last August when bridging finance provided by the TPA dried up.

The Greater Soweto councils of Diepsmeadow, Dobsonville and Soweto wrote off R516m arrears last September and the Atteridgeville Town Council (near Pretoria) wrote off R225m this month.

Joubert said application would be made to the Transvaal administrator for formal approval. Debts of businesses would not be written off. *B1024 30/1/91*

The agreement provided for each household to pay a fixed interim charge of R41 for services (including water and electricity).

Joubert said grievances listed by the Vaal Civic Association and the Vaal Triangle Committee of the National Forum would be investigated at working group meetings which would start soon.

Tough year expected as retrenchments continue

THE rate of retrenchments had increased sharply in 1990 compared with the previous year, Steel and Engineering Industries' Federation (Selfsa) spokesman Hendrik van der Heever said yesterday.

Industrial council figures showed about 16 600 workers were laid off in 1989 compared with at least 25 200 last year and the trend would continue this year, he said. At least 35 000 mineworkers — about 5% of the total workforce — lost their jobs in 1990.

Engineering retrenchments last year represented more than 7% of the 350 000 workers employed by Selfsa members.

Industry spokesmen say mounting retrenchments and falling sales volumes in the metal and engineering industry are signs the sector is hard pressed by the mining industry's declining fortunes.

Van der Heever said Selfsa's members contributed one third of SA manufacturing input, a major share of which was consumed by the mining industry.

When the mining industry struggled — the Chamber of Mines said recently mining houses intended to peg their costs at zero growth until 1993 — Selfsa members inevitably

suffered as well.

He said the low gold price, labour costs and lack of foreign investment were among factors likely "to exacerbate the existing poor business conditions in our industry".

Dorbyl group executive director Mike Smithyman said yesterday "it seems very clear mines are cutting expenditure to an absolute minimum. Volumes are definitely much lower than last year."

335 Problem

He said the downturn in the fortunes of the mining industry was most acute in gold mining but even coal mining was affected.

Siemens energy and automation GM Roelof van Ark said yesterday mining industry uncertainty was the most difficult problem with which the company had to contend concerning its mining contracts.

Mines were evaluating new developments and reviewing projects previously approved, and Siemens was waiting to see "how drastic the cutbacks would be".

Van Ark said only 10% of Siemens business concerned mining, but the company depended on big


turnkey projects, like the aborted Samancor, Highveld Steel Column stainless steel project, for its prosperity. If the country's economic downturn continued, there would be retrenchments, and not only in Siemens' mining division.

Haggle Rand marketing director Alan Clarkson would not comment yesterday on his company's position but said: "Haggle is likely to be affected (by the contraction in the mining industry) but to what extent it is too early to say."

Anglo American gold and uranium chairman Clem Sunter said last week Anglo had been able to minimise December quarterly cost increases — its Freegold operation kept the increase in its operating costs down to 0,1% for the three months — partly because of the "understanding approach" taken by mine suppliers.

The February edition of Mining News reported that most companies supplying gold mines were "cutting back on advertising and other expenses in order to boost bottom line balance sheet figures".

Anglo's President Steyn Mine engineering supervisor Jeff Armstrong said the mine was likely to reduce purchases, especially of high-tech items.

(335) 

Tradegro

strike looms over layoffs

Star 31/11/91
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/Gretermans, Checkers, Smart Centre and Metro are in the Tradegro stable.

The South African Commercial Catering and Allied Workers Union (Saccawu) 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

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 retrench-

VERA VON LIERES

ments 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".

B/Dary 31/1/77

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.

31 Day 31/1/91
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 Busi Chabeli, 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.

Battle 335

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. *Sowetan 31/1/91*

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

Chabeli 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, BCM 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 352 629 in 1989.

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 52% last year to 25 200 from 16 600 in 1989. A total of 35 000 mineworkers 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 7 550 and include hourly and monthly paid people 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 restructuring in its efforts to remain profitable.

Nissan's spending plan for the current year has been drawn up in consultation with holding company San-korp and Sanlam, 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.

Nissan fires 1 200 in cost-cutting bid

8/Times 3/2/91

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 6 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.

335 Unsold

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 22 749. Because it held huge unsold stocks, it produced fewer than 15 000 engines in 1990. 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 Körte.

Because so many managers have left, those that remain are handling widely diverse functions. For example, the managing director is now also



FRITZ KÖRTE: Looking for 20% savings

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 Körte 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.

5/11/91 3/2/91 Carpet

"Increasing our exports is like sawing off the branch we sit on," says Mr Körte.

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 99% 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 20% 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 Körte.

9000 jobs lost in textile industry

Finance Staff

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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 (Texfed) continues in the wake of recent criticism by Frame Group executive chairman Mervyn King of aspects of the rag trade.

Texfed 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 1989.
- The erosion of the effective-



Criticised . . . Mervyn King

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 1989.

"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

B1 Day 6/2/91

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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 (Safcec) 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

CHARLOTTE MATHEWS

not see the same flexibility being shown by the public sector," he said.

Safcec vice-presidents Peter Clogg and Jurgen Schultz 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 R5bn.

"The state provides the majority of work for the civil engineering industry and it seems ironical to me that, through cuts in capital spending, peo-

ple 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'

CMT 14/91 6/2/91 335

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 re-

trenchments.

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 include 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 Cunningham Ngcukana 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.

Spa 7/2-13/2/91

Security workers, in city demo

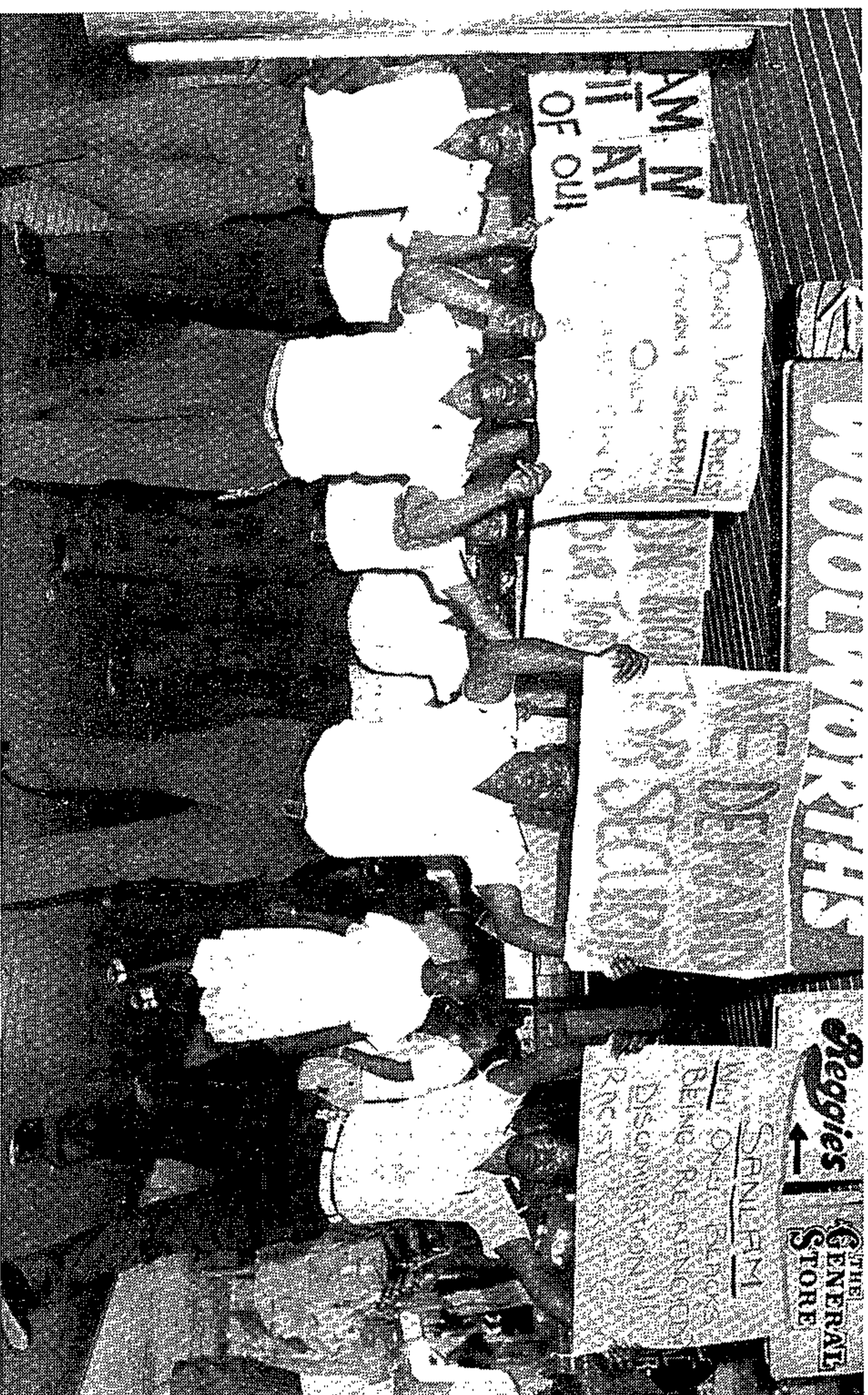
Staff Reporter

SECURITY workers employed by Sanlam Properties at the Golden Acre yesterday staged a roving demonstration through the shopping centre in protest against proposed retrenchments.

The demonstrators, members of the Transport and General Workers' Union, handed management a list of demands asking for guarantees on future job security.

Twenty-two union members have been affected by a Sanlam plan to contract the security work to another company which pays lower wages, union official Mr Basil Laattoe said.

A Sanlam Properties spokesman said: "We are a property company, not a security company. From time to time we look at all services we provide, and a contracting firm can do it better than we can."



SHOPPING CENTRE DEMO . . . Security workers at Sanlam Properties demonstrate at the Golden Acre yesterday to protest against proposed retrenchments.

Picture: ANNE LAING

Workers challenge DP chairman

W/Mon 8/2-14/2/91

By GLENDA DANIELS
DEMOCRATIC 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. ~~442~~ 335

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 Saccola 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 *Wimant* 8/2-14/2/91
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 "head-count" is coupled with above-inflation wage increases.

"Many large employers are expecting to negotiate wage increases several points ahead of 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 demanning, 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 2 100 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 downscaling 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 offtake 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.

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.

ROBERT LAING

"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." *Edman 12/2/91*

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.

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. *Gowen 12/21/91*

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

CAC 7/12/91 12/2/91

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Own Correspondent

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Stw 13/2/91

Wages too low, says PO chief

By Shareen 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 such was 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 unions' 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.

Stw 13/2/91

Aids 'will halt SA population growth by 2000'

By Julianne 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 a generally low level of medical care in Africa.

He said a theoretical computer-based model, which projected infection, illness 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 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 Sidego said cuts would mainly take the form of early retire-

ment. 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. Sowetan 13/2/91

Sacwu spokesman Mr Humphery 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 suprising 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 re-instatement.

Company spokesmen were not available for comment. - Sapa.

Retrenchments at Philips (335)

■ 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 30 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

PAT DEVEREAUX

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 Zenzeni 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 re-employed 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

Sowetan
18/2/91
335
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 45% 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

Own Correspondent 21/2/91

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 Sibiyi and Mr Fumanekile Mtshiywa — 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 Justice 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

335

ZENZELENI 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. *W/News 22/2-28/2/91.*

The Durban firm, which makes T-shirts and workwear, is the largest and most ambitious co-operative venture 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 — Zenzele-

ni is controlled by a board of trustees chosen by the Sactwu national executive committee.

Newspaper reports have claimed Zenzele 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 insolvency 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 that cash-flow problems had "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

AKG
21/2/91

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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 unenviable 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."

SOWETAN-BUSINESS

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Negative

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Climate

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current inflation level, or at a level which will adequately compensate such increases by productivity improvement

growth and job creation, and so creating the additional wealth so necessary for the new South Africa, and keeping at bay the alternative which is economic stagnation or accelerating unemployment." - Sowetan Correspondent



PHIL KHUMALO

Funds shortage: office for jobless faces closure

CMT 717P 27/2/91 (335)

By JILYAN PITMAN

THE Western Cape Unemployment and Advice Office in Welcome Estate, Heideveld, 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 Abduragiem 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 fund-raising 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 work-

shops 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 4 000 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 1373, CAPE TOWN 8000, or call (021) 637-2386 or (021) 637-0716.

Boycott to protest against firings

■ Community organisations in Zamdela, Sasolburg, have called a consumer boycott of white businesses to pressurise Sasol One and Natref into rehiring 867 SA Chemical Workers' Union members fired in 1987 after a wage strike. (335) (483) (68)

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". W/land 1/3-7/3/91

Reports from Weekly Mail staff

From DUMA GOUBULE
JOHANNESBURG. —
South Africa's economy
must be given an immediate
kick-start or it
faces calamity.

This is the conclusion that
emerges from a year-long
scenario-planning study.

Two institutional giants,
Old Mutual and the Perm, are
putting the finishing touches
to the findings of a group of
eminent scenario-planners
who were commissioned to
look at South Africa's prospects.

The report, which is expected
to be released in book form
shortly, has already been presented
to virtually every political
grouping.

The first person who listened
to the presentation was
Finance Minister Barend du
Plessis.

He soon arranged for the
entire Cabinet, including President
De Klerk, to join the session
and the five-hour presentation
was followed by three hours
of questions.

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
R6 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.

Economy needs vigorous

Kick

Zebediela retrenches 499 farmworkers

MORE than 490 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, Pietersburg.

A union statement yesterday said agreement was

VERA VON LIERES

reached that 499 employees — all over the age of 63 — 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 R80, bringing the monthly minimum wage for permanent workers to R270 from April 1.

The agreement follows a four-month strike by 1 200 workers which was settled in December.

The company also agreed to reinstate dismissed strikers.

16/11/51
13/10/51

(335)

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 a 100 workers, it was disclosed yesterday.

A further 54 production line workers were retrenched at the company's Wadeville 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.

Campaign for cheaper food

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 foodstuff, remove tax from food and provide jobs for all.

Cutbacks cause retrenchments

South 7/3 - 13/3/91

335

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 funders 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 affected 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



Pickets outside the WPCC headquarters

PICTURE: YUNUS MOHAMED

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 member 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 concerns 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 lead to retrenchments, we want 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 "haunting 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 hand-outs 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."

Cash squeeze hits

335

major church bodies

South

213-131311

STAFF members (right) of the Western Province Council of Churches (WPCC) held a picket outside its offices in Salt River, Cape Town, this week to protest against retrenchments arising from reduced foreign funding.

The WPCC, prominent in its support for the "victims of apartheid" during the eighties, has decided to retrench a third of its staff after its operating budget was slashed in half.

This follows a decision by its mother body, the South African Council of Churches (SACC) to retrench about 20 staff members.

The SACC has been heavily affected by a change in perceptions of South Africa by foreign funders, receiving 24 percent less than the grant requested.

All regions of the SACC have been instructed to work with "cash in hand" and no longer to rely on pledges from donors.

● Full Story — Page 7



Workers laid off

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

Mr Hendrik van den Heever, spokesman for the steel and engineering federation Seifsa, said the main reason for the industry's woes were a reduction in orders from its traditional parastatal clients such as Armscor. *19/3/91*

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*.

Address unemployment now — report (335)

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 Handel-

GERALD REILLY

sinstituut (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

Blom 20/3/91

GERALD REILLY

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 the mid-70s.

The average labour absorption capacity of the formal sector had declined from 73,6% between 1965-70 to 12,5% for the period 1985-89.

This implied that only 125 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 2010, while the total number of (metropolitan) blacks would quadruple from 6,6-million to 23,6-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."

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.

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Staff cutbacks at church councils

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South 20/31 - 3/4/91

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 East 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

BUDGET/'91

Unemployment tops an all-time high

335

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 sec-

ond 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.

Further rise in unemployment forecast

335

A FURTHER fall in GDP accompanied by too small an increase in job opportunities, and consequently a further rise in unemployment, was expected, the Minister of Finance, Mr Barend du Plessis, said yesterday.

He also forecast less unreasonable wage settlements and anticipated a further mild decline in the inflation rate.

"On account of the fall in the demand for South African products, and an unexpected further shrinkage in inventories, the chances are small of an upswing in 1991," he said in his Budget review.

"Arising out of rela-

tively stable financial conditions, a further mild decline in the inflation rate is anticipated, should certain special factors, such as relatively large increases in oil prices, not thwart this."

If success could be achieved in demolishing the inflation expectations syndrome, and more realistic wage and salary settlements reached, the inflation rate could fall appreciably.

The quantum of the net capital outflow would depend on local political developments and on certain economic factors such as expected and realised exchange rate

changes, forward cover rates and interest rate differentials.

Although lower than in 1990, the quantum of South Africa's repayment liabilities in respect of foreign debt would be R4 billion in 1991.

It was expected, however, that a portion of this would be rolled over, extended or replaced by new loans.

Projections indicated a small decline in real personal disposable income, linked chiefly to poor harvests, lower operating surpluses and limited employment growth in certain economic sectors.

"Less unreasonable wage settlements between

private sector bodies and trade unions are forecast."

He said the possibility also appeared smaller that households would be able to obtain additional credit in 1991, or be able to use large amounts of savings for consumption purposes.

"The rate of increase in real private consumption expenditure should therefore weaken considerably in 1991 - it could even fall.

"On the other hand, real consumption expenditure by general Government could rise slightly once again."

The slowdown in world economic growth,

South African 21/3/91

coupled with unfavourable domestic agricultural prospects, was expected to impact adversely on the volume of South African merchandise exports which had shown a sharp upward trend since the beginning of 1983.

The higher cost of imported oil and increase in agricultural imports could neutralise a fall in the volume of merchandise imports and contribute to a further mild increase in the overall value of imports.

"It therefore seems realistic to expect a considerable reduction in the surplus on the current account of the balance of

payments from around R6 billion in 1990 to between R3 billion and R4 billion in 1991."

Du Plessis said the longer-term prospects for the South African economy would appear, under certain conditions, to be much brighter than in recent years.

This would depend on favourable economic developments in the rest of the world, and purposeful and concrete structural adjustments in the domestic economy and social conditions.

"In particular, it will depend on the success achieved in the political negotiation process. It will furthermore require a

reduction in internal social unrest and more stability in the labour market.

"International reactions to the changes taking place in South Africa will also be an important determinant of the country's growth potential."

Should favourable results flow from these socio-political developments, the constraints on the South African economy emanating from international action could greatly diminish or disappear.

Various developments already indicated a more positive international attitude towards South Africa.

Many in SA 'pitifully poor'

By Peter 21/3/91
Political Staff

CAPE TOWN — Gloomy but frank acknowledgement of the extreme levels of poverty in SA were made yesterday by Finance Minister Bar-end du Plessis.

In 1989, some 44% or about 16-million people of the population, including the independent homelands, were estimated to be on very low incomes.

He said: "One of the most daunting socio-economic issues is the great gap in development and income between people and communities."

"SA has one of the most unequal distributions of income in the world, but still more disturbing are the millions of South Africans who have to make do with pitifully low incomes."

"And there are similar disparities in the ownership of assets," Du Plessis said.

Government's goal was a new SA with justice for all and political, social and economic equality.

"It is the considered judgment of this government that the means to securing justice for all lies in the process of purposeful even-handed treatment, alike in the political, the social and the economic fields."

The theme of the 1991/92 budget was therefore "equity through growth and stability", Du Plessis said.

The Budget Review, prepared by the Finance Department, stated that the extent of poverty in SA was "still extremely great."

"Poverty in SA has increased over the past decade and a half."

"This is reflected in the fact that the real gross domestic product (GDP) per capita has fallen since 1981 at an average annual rate of 1.5%."

Unemployment in SA had shown an upward trend since the mid-1970s. The decline in the labour absorp-

tion capacity of the economy had assumed daunting dimensions.

In 1965-1970, 73.6% of the increase in the labour force was absorbed by the formal sector, but this fell to 62.7% between 1970 and 1975, 35.4% between 1975 and 1980, 21.9% between 1980 and 1985, and "an exceptionally low level of 12.5%" between 1985 and 1990.

"The implication is that only about 125 out of every 1 000 new entrants to the labour market in 1985 to 1989 were accommodated as fulltime employees in the formal sector."

"Unemployment, therefore, has largely become entrenched in the South African economy as a structural problem."

The review said evidence submitted to Valcom showed some children younger than 12, the aged, social dependents, and certain categories of unemployed needed urgent direct aid.

He said some of the resources released by the state had to be re-routed to the maintenance of law and order and a total of R4.63bn was now provided — an increase of 53%.

Rising crime, the need for certain security steps and the mass action campaign required a larger visible police presence with the emphasis changing from "reactive" to "pro-active", he said.

The Minister said in the light of the high priority given to efficient policing and the need for emergency police stations, R200m of the R950m which had been set aside for urgent capital requirements was earmarked for this purpose.

MPs' salaries to rise by 27%

CAPE TOWN — Parliament's 308 MPs, who last year earned salaries worth R26.2m, will get a pay rise of 27.4% worth R5.6m.

The overall cost of parliamentary salaries, including pensions paid to MPs, administrators and members of the President's Council, will rise by 22.7% to R104.4m.

The latest pay increases for parliamentarians follow a double pay rise last year which increased MPs' salaries by 25% and Cabinet Ministers' by 17%.

While no details of MPs' increase were provided Ministers are to get R187 000 a year, including a reimbursement allowance of R40 278, and deputy ministers R135 000 a year, including a reimbursement allowance of R30 930.

Education's slice up 27% to R16bn

By Peter 21/3/91
Political Staff

CAPE TOWN — Government has earmarked R16.1bn for education in the next financial year, with R6.833bn going to blacks — a 27% increase on last year.

The Labour Party's boycott action also bore fruit as they will receive a one-off R90m and the House of Delegates R75m to address pressing needs.

White education spending will total R5.950bn — an increase of 6% while the budget for coloureds totals R2.303bn (13.9%), and for Indians R977.3m (18.6%).

Finance Minister Bar-end du Plessis said that for years education had been the largest single component in the Budget, and in the 1991/92 tax year it would account for 19.2%. This was before accounting for the contingency reserves and transfers to the TBVC states.

He said R1bn had been earmarked for capital projects last year in a special fund.

Political Staff

of which R750m had been set aside for black educational capital projects. Of this R188m had been spent and the balance would be used this year.

It was proposed an extra R250m be added to the rest of the R1bn fund — with R212m for capex in black education.

Special steps would be taken to ensure buildings would be erected with the support and co-operation of local communities, and if possible they would involve work-creation projects.

It was generally accepted that the massive backlogs in education demanded great cost effectiveness, with the emphasis on skills-orientated education, he added.

A direct contribution by parents and local communities was likely to play a larger role in future educational financing.

Deficit above IMF recommendation

By Peter 21/3/91
Political Staff

ANNOUNCING a generally expansionary Budget yesterday, Finance Minister Bar-end du Plessis forecast a deficit before borrowing above expected levels and the IMF's suggested ceiling. At 3.4% of GDP, the deficit exceeds the suggested IMF ceiling of 3% and 1990's 2.7%.

Du Plessis has drawn on a R950m borrowing "emerging from the diminishing need for strategic stockpiling" for financing the deficit and a R206m input from the 1990/91 surplus after borrowing.

The remainder, R8.952bn, constitutes 3% of GDP, "unfortunately above the level of capital spending", estimated at 1.8% of GDP. Moreover, loan redemptions will be about R5.4bn, bringing the net financing requirement to R14.4bn.

The plan is to finance it chiefly from

Political Staff

domestic stock sales to the amount of about R14bn, including investment by the Public Investment Commissioner (PIC). "In the light of the relatively modest loan programmes of other public sector institutions, the state's financing requirement this year should reinforce the slightly downward trend that long-term interest rates have begun to display."

The R10.12bn requirement, said Du Plessis, was the result of "all the fiscal commitments and tax reform in particularly tight economic circumstances."

The tax concessions will result in a loss for government of R1.77bn in fiscal 1991/92, while supplementary spending proposals account for another R2.15bn of the R85bn budget.

Lack of jobs becomes critical as recession bites

By Winnie Graham

21/3/91

A matriculation certificate — or other school-leaving qualification — is no longer a passport to a job in South Africa.

There are tens of thousands of young people of all races in the under-25 age group who have never worked because they cannot find jobs. Although not complete, Central Statistical Services figures show the number of registered unemployed young people to be greater than any other group.

"Boredom — that's the worst of not having a job," Marc Raubenbach said. "You go crazy doing nothing — AND you don't have money to get about."

Marc (21) of Alberton has been looking for a job for three years. His cousin, Tony Jardim (18), of Suideroord, Johannesburg, left school more than a year ago and he, too, cannot find work.

Between them, they have spent more than four years hunting for jobs — to no avail. So they stay at home, growing increasingly frustrated.

The youths are typical of a new generation of school leavers: young people without special skills or adequate edu-

cational qualifications who are finding it almost impossible to find jobs.

The two young men both dream of being diesel mechanics.

Both school leavers are dependent on their mothers for an income — but there is a limit to the money the women can give.

Marc's problem is compounded by the fact he has a learning problem: though he is physically fit, he cannot read and write.

He is bitter. He says he is strong and willing but no one needs him. He finds it difficult to settle to domestic chores. He wants a man's job so he can earn money and move into a place of his own.

Paradise

Tony spends most of his time keeping his mother's garden in trim. But he, too, wants a "proper" job and his own income.

Once South Africa was regarded as a paradise for work-seekers. Now, say the experts, it is on a par with Europe and America where unemployment — particularly among the young — has created enormous social problems.

Professor Diana Shmukler of the University of the Witwatersrand's psychology department

said it was of vital importance that the Government devote more time and money to creating job opportunities and training facilities for the unemployed. This had been done before when the Government started projects for poor whites.

"In Europe and the United States, unemployment has led to increased crime and drug problems," she said.

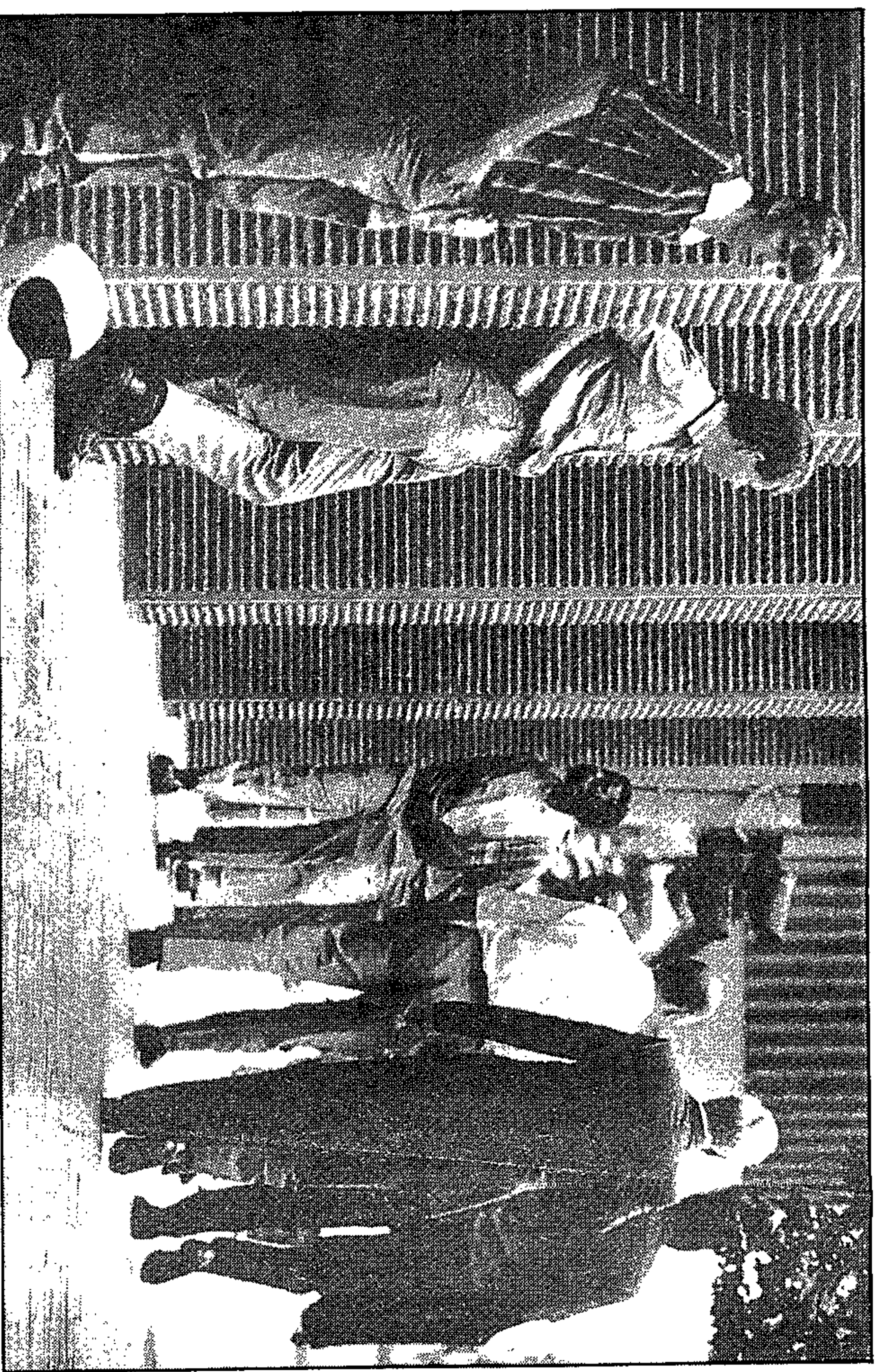
Central Statistical Services do not have figures for whites, but statistics in 1989 (the most recent available) for registered unemployed coloureds, Asians and blacks show unskilled and inexperienced young people are worst hit in the job stakes.

The unemployment problem is compounded by the growing number of retrenchments.

One estimate claims about 70 000 workers lost their jobs last year — 30 000 in mining, 7 000 in clothing and 10 800 in the metal industries between July and October.

The Steel and Engineering Industries Federation says metal industry jobs are being cut at a rate of 2 100 a month.

The hardest hit sector of the economy is the construction industry where 30 percent of the work force was retrenched in 1989/90. Job losses are blamed on the deepening recession.



Waiting for work . . . Tony Jardim and Marc Raubenbach take their search for jobs to the streets of Johannesburg.

Mercedes workers' sacking fair

By Shareen Singh

22/3/91

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 com-

pany'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

Business Day Reporter

MORE than 35 000 hourly paid employees will be retrenched this year in steel-related industries as the most severe conditions since 1986 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, Armscor and Transnet had slashed capex to a minimum.

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

Seifsa economist Charles Martin estimated that steel consumption in the building industry would drop 10%-15% this year compared with last year.

It has become common to see people at street intersections holding placards that bear the plea: "Please help! I have not had food for three days."

And their numbers are growing every day. You cannot dismiss these people as hobos, who may be irresponsible or addicted to liquor.

Most of them are able-bodied adults who genuinely cannot find a job.

Many cannot recall the last time they were employed.

Some say they were retrenched, others tell you they have given up hope knocking at the door of every factory in Johannesburg only to be told there is no work.

"I'm prepared to do any kind of job. I need food for my children," is the message that comes across.

You don't have to go to Hillbrow or other high-density areas to see the hungry. Recently, the ranks of the unemployed have swelled alarmingly.

They are prepared to accept anything you give them - dry bread, cold drinks, anything. But what they want is work, any

MY WAY

With Khulu Sibiyi

335

Give jobless place in sun



kind of work to earn a living, they say.

I have often wondered how many people who drive past these supplicants have ever imagined themselves in the other's shoes.

Do they know what it feels like to be without food for three days? To have no roof over your head?

I once overheard a motorist - who looked rich, judging by his car - telling one of these pitiful beggars: "Why don't you go and ask (Archbishop Desmond) Tutu and (Nelson) Mandela to give you food. They are the ones who have called for sanctions."

The beggar was

obviously puzzled.

What have Tutu and Mandela got to do with asking for food or a job?

The man had probably heard about Tutu and Mandela, but it would be unlikely that he owned a radio, a TV or could afford to buy a newspaper that could inform him about sanctions.

Bread and butter issues are more important to him.

How can a wealthy, highly-industrialised country like South Africa have such high numbers of people begging for a place in the sun.

Why do we have so

many homeless people and so many others who live in shacks?

Are we going to be able to redress the disparity between rich and poor in a new South Africa?

Last weekend I attended the wedding of Cleopus Nyembe in Duduza near Nigel. Cleopus and more than 100 of his colleagues were retrenched almost a year ago, but nothing could stop him from celebrating his marriage to his childhood sweetheart. It was a real spread - food, drinks and music galore.

More than half the guests were unemployed. The master of ceremonies -

also unemployed - asked that the wedding presents from the unemployed be separated from the others. I was impressed to see that the unemployed had more to offer the bridal pair than those who were employed!

Cleopus said hardship had taught them to stick together and "help mekaar" in times of need. "We have learnt to share whatever we have."

"We unemployed are more unified than those who are employed because they seem to look only after their own interests."

Finance Minister Barend du Plessis has not addressed the problems of the unemployed.

Unless all political movements take a critical look at job creation in a new South Africa, unemployment will continue to rise.

A hungry stomach, the old adage says, knows no law.

A new government will have serious problems in maintaining law and order unless people are given proper houses and employment in the transitional period.

Month	Male	Female
May	102 160	45 545
June	100 570	44 417
July*	209 077	
August*	229 723	
September	160 844	66 354
October	157 557	64 858
November	159 125	60 278
December	164 238	61 844

* Detail not available.

Whites/Coloureds/Indians unemployed

190. Mr P H P GASTROW asked the Minister of Manpower:

(335)

How many Whites, Coloureds and Indians, respectively, were registered as unemployed in each inspectorate area as at 31 December 1990? *Hansard 25/3/91* B519E

The MINISTER OF MANPOWER:

Registered unemployed as at 31 December 1990:

Region	White	Coloured	Indian
Central Areas	4 262	2 860	15
Eastern Cape	3 183	4 881	102
Natal	6 483	1 858	8 072

Crayfish

230. Mr R J LORIMER asked the Minister of Environment Affairs:

- (1) What quantity of crayfish was caught by (a) commercial fishing companies and (b) private holders of fishing licences in 1989 and 1990, respectively;
- (2) whether any changes are envisaged in quotas granted to commercial fishing companies; if so, (a) what changes and (b) when will they be introduced;
- (3) what are the dates of the 1991 season for the catching of crayfish in South African waters;
- (4) whether this season will be adhered to by his Department; if not, (a) why not and (b) what deviations are envisaged?

B609E

The MINISTER OF ENVIRONMENT AFFAIRS:

- (1) (a) 1988/89: West Coast Rock lobster: 4 000 t whole mass South Coast Rock lobster: 450 t tail mass 1989/90: West Coast Rock lobster: 3 493 t whole mass South Coast Rock lobster: 450 t tail mass
- (b) 1989: Unknown 1990: Unknown
- (2) Yes
 - (a) Quotas are adjusted upwards or downwards each year in accordance with scientific advice.
 - (b) Before the start of each fishing season.
- (3) North of the mouth of the Olifantsriver: 15 October 1990—30 June 1991 Between the mouth of the Olifantsriver and Yzerfontein: 1 November 1990—30 June 1991 South of Yzerfontein: 15 November 1990—30 June 1991
- (4) Normally yes
 - (a) Not applicable

Own Affairs:

Schools: enrolments

34. Mr A GERBER asked the Minister of Education and Culture:

- (a) How many pupils were enrolled in schools under the control of his Department as at the latest specified date for which figures are available and (b) what amount was appropriated for his Department for the year in respect of which the above-mentioned figure is furnished? *Hansard 25/3/91* B511E

The MINISTER OF EDUCATION AND CULTURE:

- (a) *890 042 for 1990,
 - (b) R3 092 106 000 for the 1990-91 financial year.
- *Grade 1 to Standard 10 (special schools included).

Technical colleges: admissions

35. Mr R M BURROWS asked the Minister of Education and Culture: *Hansard 25/3/91*

- (1) What number of persons of each population group was admitted to technical colleges under the control of his Department with effect from 1 January 1991 or the latest specified date for which this information is available.
- (2) what policy is currently applicable regarding the admission of students of population groups other than White to technical colleges and hostels of such colleges?

B531E

The MINISTER OF EDUCATION AND CULTURE:

(1)	White	Coloured	Indian	Black
	48 704	239	88	415

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 1986 take their toll, says Mr 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 and 8 000 are expected to be dropped from the Moss-gas payroll alone.

Many companies had put their workforces on short time and others were liquidating.

Star 26/3/91 **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.

(335)

People's Republic of China

Ministry of Foreign Affairs

Beijing, 26 March 1991

TE AMRE COUPE DE FORTS DE LA CHINE

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450 000 workless people in SA

CAP Tink 26/3/91 335
Political Staff

THERE were more than 450 000 registered unemployed people and work-seekers in South Africa at the end of last year, the Minister of Manpower, Mr Eli Louw, disclosed yesterday.

He said in reply to questions tabled by Mr Peter Gastrow (DP, Durban Central) that 34 960 whites, 40 571 coloured people and 9 796 Indians were registered as unemployed on December 31 last year.

Mr Louw said 139 252 blacks were registered as work-seekers in SA in December, while a further 226 082 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 6 483 were registered. In the three PWV inspectorate areas, 15 309 whites were registered, in the Western Cape 5 723 and in the Eastern Cape 3 193.

Rise in SA jobless could be 'disaster'

335

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. *Star 27/3/91*

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. 335

A company statement said the arbitrator found the dismissals fair, in that workers had breached collective procedures and their conduct was not conducive to a continuing employment relationship. W/Mail 28/3-4/4/91

"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 crisis in the fishing industry took a turn for the worse this week when a major West Coast canning factory announced it would close its doors later this year.

The news comes in the wake of increasing talk of retrenchment in the industry, with about 800 fishermen likely to be affected.

The Saldanha Bay Canning Factory,

one of the oldest companies in the area, whose quota for 1991 and 1992 has been cut to 100 000 tons from an estimated 600 000 tons during 1987 and 1988, will retrench their entire workforce of about 300 workers.

Fishermen met the Minister of Environment Affairs, Mr Louis Pienaar, this week. No details were available at the time of going to press.

A spokesperson for the Food and Allied Workers Union (Fawu) in the West Coast, Mr Gert Koenana, confirmed on Monday that the union was negotiating a

retrenchment package with the company.

The company will close its doors gradually, with the fishmeal section, which has 47 workers, closing first on April 27. The last section, administration and the despatch, will close in December.

Koenana said the company would retrench 187 seasonal workers and 106 permanent workers.

Meanwhile, the crisis in the crayfish industry is expected to cost South Africa's lucrative export market millions of

rands. According to reports, the quota for this year is likely fall by a third as the crayfish are growing by one millimetre, rather than their normal six millimetres.

Experts say that because of environmental changes, the crayfish staple diet of ribbed mussels has been drastically reduced. Less than half of the quota of 4 000 tons has been caught so far.

Orders for the lucrative European and Far East markets placed at the start of the year will not be met, according to reports.

South 28 3 - 3 491

335

UNEMPLOYMENT *W/mal 28/3-4/4/91*
MANPOWER Minister Eli Louw told parliament this week that of 54 803 registered unemployed people at the end of December 1990, 29 237 were classified white, 15 800 coloured and 9 766 Indian. (335)

In reply to questions tabled by Peter Gastrow (Democratic Party, Durban Central), Louw said 1 065 333 African work-seekers had registered in 1990, of whom 840 494 were men and 224 839 women.

The document has been given to all interested parties. They are invited to respond before it is handed to President De Klerk in its final form. A major challenge to ANC thinking - this to political factors, unrest and vate sector to invest. It attributes a "disturbing lack of confidence" limiting economic growth potential and a reluctance by the private sector to invest. It attributes this to political factors, unrest and expenditure and a requirement for more deregulation and a reduction of share of gross domestic product.

Sunflower blooms in place of waiting

S/Times 31/3/91

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 homes were needed immediately for 7-million shackland 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 1985, 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 as 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 dockland vagrants and inhabitants of barren 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, sprouting, budding, blooming and 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 Concepts.

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 block-making, bricklaying, plastering, painting and carpentry. There was real enthusiasm, theft or loss of tools was unheard of and the community's buildings remained unscathed 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 (ditto 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.

DIAGONAL STREET
By JULIE WALKER



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 self 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 telefaxed 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 60 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 88 employees as a result of lost business.

This was confirmed yesterday by Hern managing director Mr Johann Blersch. Earlier in the day, however, the broking firm's executive chairman, Mr Ed Hern, had said that 23 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 Fouché in the Old Mutual affair. Mr Fouché was arrested and released on R500 000 bail three weeks ago.

Cheque book clue opens new line in Kahn investigation

Star 3/4/91.

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 Guernsey-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 Kenny Fouche, 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 Auret.

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 on 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 per cent of the daily trade on the JSE.

Decline in business forces staff cutbacks at stockbrokers Ed Hern

STOCKBROKING firm Ed Hern, Rudolph — one of the two largest stockbroking firms linked to the Old Mutual affair — has officially laid off 14 of its 88 employees as a result of lost business.

This was confirmed yesterday afternoon by Herrn MD Johann Biersch. Earlier in the day, however, the broking firm's executive chairman Ed Hern had said that 23 of the brokerage's 110 employees had been given notice last Thursday.

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

"Obviously we are looking at the whole Old Mutual thing but we can see no reason for Ed to step down as he was not involved."

Hern said the employees had been laid off as a direct result of declining business stemming from the alleged involvement of its dealing clerk Kenneth Fouché in the Old Mutual affair. Fouché was arrested and released on R500 000 bail three weeks ago.

There was no sense "being brave" and trying to ignore what was happening to the brokerage business being put through the firm, Hern said. He added that the dismissals had been made as evenly and fairly as possible across the board.

BRENT VON MELVILLE

Biersch confirmed that two dealers, John Bailey and Derek Gardner, had been included in the dismissals which, he said, involved seven clerks and seven more senior staff. The fact that two dealers were involved did not mean the firm was on a "witchhunt".

"Far from it. We have 10 dealers and we had to rationalise," he said, adding that the dismissals were a way of trimming some of the firm's fat which it had carried when other firms were cutting back.

The upheavals have sparked market

speculation that Old Mutual has backed away from dealing with the broking firm, in line with Old Mutual chief operating officer Gerhard van Niekerk's firm stance against the alleged improper trading that has shaken the life-assurance industry and the JSE.

Last month Van Niekerk warned that Old Mutual would be implementing a new system for dealing with brokers. He said yesterday however that the institution had not yet approached brokers with the system.

Old Mutual investments assistant GM Rowland Chute said he could neither con-

firm nor deny whether Old Mutual had cut off allocations to Ed Hern, Rudolph. "It is our policy that we do not discuss allocations with people other than the brokers concerned. The most that we can say is that it is business as usual," he said.

One market analyst suggested that if Old Mutual had either cut off broking firms, or intended to cut off allocations, the big question would be whether other institutions would follow suit.

"In that instance, the two broking firms involved would be badly hit," he said. He added that the bigger the firm, the more it dealt with institutions and therefore relied on them.

...and Salomontein, ... on the unprofitable Ventersdorp Contract Deal

THE new initiative would dovetail neatly with the new subsidy in that it addresses

Politicians blamed

By MOKGADI PELA

POLITICIANS, trade unionists and all those who called for sanctions were to blame for the imminent retrenchment of about 2 500 workers at Genmin'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 leapt.

"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."

Babes 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

SOWETAN RADIO METRO

TALKBACK

Sowetan 3/4/91
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

*CAPE TOWN
6/4/91
335*

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 sequestered 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

RETRENCHMENTS

Job axe to bite deeper in the next few years

THE announcement that Stilfontein mine would close should not have been entirely unexpected as the threat of rationalisation has been with us for quite some time.

In January the Chamber of Mines foresaw the loss of 50 000 mineworkers' jobs this year, to add to the 80 000 jobs scrapped in the previous 18 months.

The National Union of Mineworkers (NUM) estimates a quarter of the country's mineworkers will lose their jobs in the next two to three years.

NUM mediator Roy Fewanarian said the "only hope left was that retrenchments would reach a ceiling".

The union is presently negotiating for aid from mining houses in the form of training and work-creation funds.

Piet Ungerer, general secretary of the (white) Mine Workers' Union (MWU), said the "most worrying aspect of the retrenchments is that increasing numbers of skilled workers are also falling prey to rationalisation".

"Whereas in years past it was only unskilled workers who suffered retrenchment it is now common that highly skilled workers with many years of loyal service are also losing their jobs," he said.

The announcement this week that Stilfontein Gold Mine is to close was not entirely unexpected. Indeed further retrenchments are expected this year, as are efforts by trade unions to alleviate the problem, writes our SPECIAL CORRESPONDENT.

Apart from retrenchments in the mining industry, rationalisation has also taken its toll in the steel and metal industry, the chemical industry, and the explosive, fertilizer and electricity-supply industries.

Ungerer reckons more people have lost their jobs at Eskom recently than on the mines.

His union wrote to the State President last November asking the government to stem further rationalisation, to 'normalise' the number of unem-

ployed, and to attempt to create employment.

So far nothing has come from these requests, according to Ungerer.

The union is now hoping to meet Manpower Minister Eli Louw to discuss the unemployment situation.

Labour consultancy Andrew Levy & Partners wrote in its annual report that job security will in future "probably dominate events on the labour front, despite the campaign Cosatu initiat-

ed last year for a living wage and a workers' manifesto".

"An agreement on retrenchments between NUM and Freehold South - an Anglo American affiliate - created a precedent in the mining industry, which has been hit hardest by the economic climate," the report said.

"Trade unions are now trying to place job security above wage determination during negotiations. Almost every round of

talks is accompanied by a set of demands surrounding this question.

"Trade unions will increasingly exert pressure for all aspects of retrenchments to be negotiable."

At most mines unions have already struck deals with management to lay down a set of procedures in terms of which retrenchments take place.

These determine that consideration has to be given to ways in which retrenchments can be prevented or minimised.

Gold diggers... this year more than 50 000 mineworkers are expected to lose their jobs.



Unions and workers have to be notified in advance on the possibility of retrenchment, while fair yardsticks have to be used in the selection of workers for retrenchment.

The services of contractors and temporary workers on mines have to be terminated first. Workers also have to be given the opportunity of filling posts on lower gradings if such posts are available.

The agreements also provide for preferential treatment for retrenched workers when the gold price improves. It also provides for refresher training courses and transfers of workers to other mines.

A MWU spokesman said: "When a mining house announces that it is retrenching a thousand or 5 000 workers the actual amount of people that lose their jobs is often smaller. After talks most retrenched workers find other work."

"The announcement is normally a firebreak because people will in any case be retrenched."

Agencies confirm slump is hitting job opportunities

6/Day 8/4/91
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 side.

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 products 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 Colander said the situation generally was bleak and companies tended to employ people with qualifications and job experience.

Cresta 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.

VERA VON LIERES

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 workseekers. 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 332 a year.

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

But the figure had crept up to 21 712 by the end of June and then jumped to 34 960 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 un-

employed. The figure rose to 24 126 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 136 330 at the end of December — a 93 percent increase.

The number of registered Asian unemployed rose from 6 434 at the end of January to 8 281 at the end of June and to 9 796 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 unem-

ployment 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 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 5 million. Whichever figure is the correct one, there is no doubt that it represents a grievous waste of productive resources.

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Star 11/4/91

Crisis is looming for new job seekers

GERALD REILLY

335

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. *By Day 11/4/91*

In December 1989 employment in mining and quarrying was 702 382. By the end of last year it had dropped to 660 000.

Manufacturing's total employment declined by 14% to 1,4-million and in construction the work force 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 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

W/E Argus 13/4/91 335



Picture: DOUG PITHEY Weekend Argus.

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.

It's up,
down and
flying
around

By DAVID YUTAR

**Bush won't
delay lifting
sanctions**

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*s 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 lure well-qualified people by advertising jobs which did not exist.

"We 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 into the bin.

An oil company personnel officer, Mr Buyani Zwane, said he was "constantly pestered" as agencies tried 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 consultants who are members of the CSA to assist them with the recruitment of Information Systems Professionals.

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

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

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

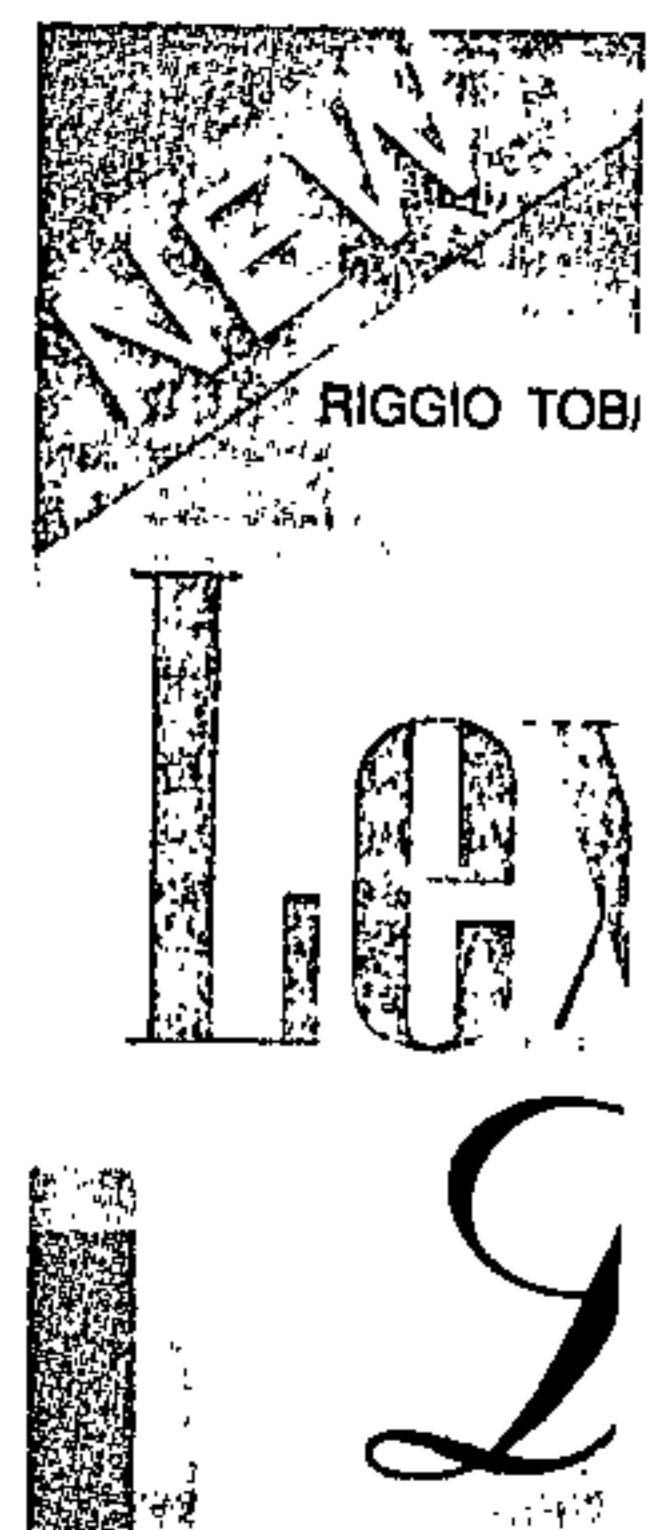
Mrs Brannekämper she had had come across "many" complaints about non-Apso agencies that had faxed CVs to companies without the applicant's consent.

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

Consultant and personnel management lecturer Mr Rudolph Young advised people looking for jobs to first find out for 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 Apso 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.



Jobless time bomb Critical

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W/L
M/6/5
13/4/91

From CLAIRE GEBHARDT
JOHANNESBURG. — Creating jobs for the hundreds of thousands pouring into the pool of unemployed is now critical.

Shock figures show that even retrained workers can no longer find jobs.

Of the 80 176 unemployed trained for entry to the formal sector in 1990, only 17 768 found jobs.

And in the informal sector a mere 18 446 of the 59 940 trained were able to find work.

Fared worse

Those with building related skills fared worse, with 2 098 out of 28 188 being placed, according to Department of Manpower statistics.

Idasa executive director, Dr Alex Boraine, said this week that Dr Frans Barker of the National Manpower Commission had highlighted government concern when he told an economic conference in Italy that the unemployed had become an almost insurmountable problem.

This was in spite of the fact government had had a lot of plans and had set aside a lot of money for training.

Insatiable demands and limited resources stressed job creation was a priority.

Measures to cope with unemployment were extremely limited.

Work programmes were only a palliative and they had to be financed by a government whose hands were tied by ma-

jor budgeting constraints and an extremely limited tax base.

So bad was the situation that Barlow Rand group economist Dr Pieter Haasbroek had suggested the jobless might even be asked to dig ditches, build roads, schools and clinics — not for pay, but simply for food.

Economists this week agreed the country faced a national crisis.

The National Manpower Commission's 1990 annual report confirms there are at least 4 million people in South Africa without jobs in the formal sector, and many would put the figure even higher.

But whereas in developed economies with sophisticated welfare systems losing a job does not necessarily involve great hardship, in South Africa can most of the unemployed simply starve to death — or turn to crime.

This is already evident in soaring crime statistics and social instability.

The situation is worsened by the fact most of the potential workforce, "the lost generation", lacks education, which makes them virtually unemployable except for the most menial tasks.

Add to this the 80 000 workers, mostly illiterate, the gold mining industry has shed over the past three years, and the potential retrenchment of another 190 000 by year end if the gold price does not to recover.

Each of these men is a breadwinner for perhaps five dependants.

Hospital retrenches 160

^{Star 17/4/91}
The Chamber of Mines Hospital has retrenched 160 people as a result of a consolidation in the provision of health services.

According to chamber spokesman Peter Bunkell, the decision was taken after the chamber decided to rationalise its hospital services.

Mr Bunkell said the chamber had two racially segregated hospitals — Cottesloe in Auckland Park and Rand Mutual in Eloff Street, Johannesburg. (335)

This was wasteful and a decision had been taken to merge the two into one hospital. — Own Correspondent.

Edworks pegs hopes on major changes

BIP 23
18/4/91

MARCIA KLEIN

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-Pair, 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".

12 500 miners to lose jobs

By Shareen Singh

Star 19/4/91

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 Genmin's Stilfontein 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 526 000. 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.

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8 000 lose Anglo jobs

ANGLO American Corporation yesterday announced that some 8 000 jobs will be lost at Freegold's north region operation. *Sowetan 19/4/91*

The corporation said: "Management regret to announce that the loss of 8 000 jobs at Freegold's north region appears inevitable due to a decision to down-scale 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*.

N-BUSINESS

Investment the key - UF chief

Swefam 18/4/91
335 *(initials)* *(initials)* *(initials)*

By JOSHUA RABOROKO

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 sad 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."

HQ for jobless closes 335

■ Financial and administrative problems have forced the closure of the head office of the National Unemployed Workers Co-ordinating Committee, a Cosatu project.

Elias Mophuting, 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. *W/m*

1914-251471
He said the aim was to keep the NUWCC's component regional organisations going, although it was "unclear" how these would be co-ordinated. 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 18,8% fall in net profit in the March quarter to R133,8m (R164,8m).

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 Anglovaal's Lorraine was to reduce its workforce by 500. Earlier this month Genmin said about 2 400 workers at Stilfontein would lose their jobs as the mine is to be closed.

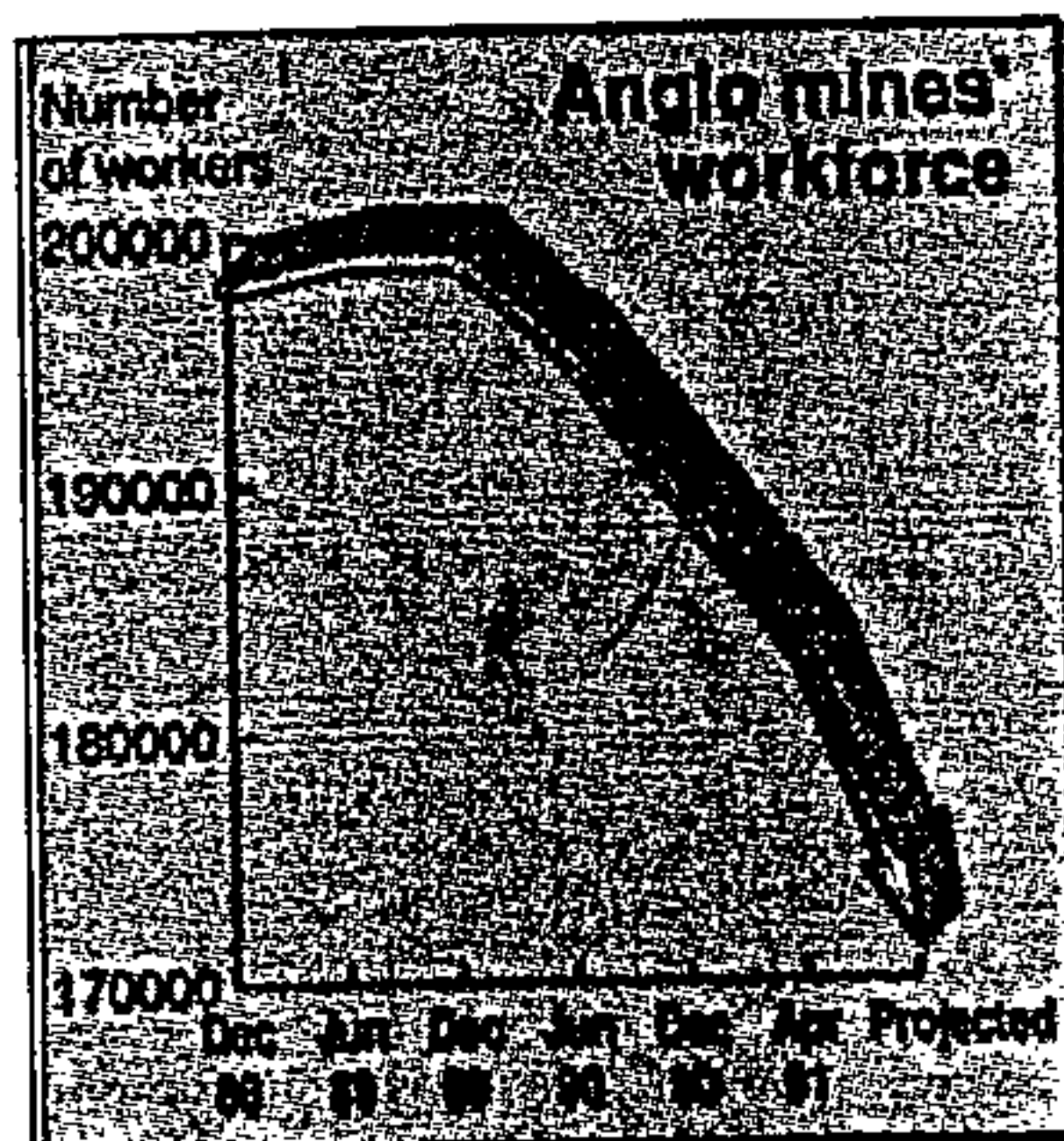
Further job losses are expected if the gold price does not recover.

Yesterday the gold price once again dropped through the \$360 resistance level to close in London at \$358,55 (from the previous day's \$360,75).

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 stagnant 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

CAPL TIA 15 19/4/91

RVA (XN) 335

Own Correspondent

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

ARLG-
22/4/9
335

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 Nyschens, 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 Ms Annetjie Claasen, 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 62 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 Suzman ^{Star} 22/4/91

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 Claasen, president of the chamber.

In Klerksdorp, whose chamber includes Stilfontein, the situation is even grimmer. Local 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 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

St. Times (Business) 21/4/91

THE WIDENING net of retrenchment — the corporate curse of the 1990s — has led to rapid growth for the Centre for Human Development.

It was set up by the Chamber of Mines four years ago to advise companies on productivity and coping with the job-loss trauma.

The centre was formed initially to help chamber members and affiliates as the threat of a lagging gold price to the industry became apparent.

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Spread

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

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

Business Times Reporter

mercial and industrial sector, says regional EAP manager Renate Rijavec-Volpe.

"Retrenchment, with its natural consequences of diminished self-concept, financial stress, lower standards of living and increased crime, can paint nightmarish scenarios if left unattended," says Dr Rijavec-Volpe.

"We have developed models which mean we can help any company and its employees to handle retrenchment in a better way."

She says that if retrenchment is badly managed it can have "disastrous consequences" for companies and people. It can give a company many difficulties from a demotivated and untrained staff.

"For the individual it is an ego-bashing experience, irrespective of how earnestly the company tries to depersonalise the experience."

By Shareen Singh 335

Union fears of 7 million jobless

May Day this year would not only be a celebration of past victories but would also focus on new challenges facing the labour movement — including up to seven million jobless, Cosatu told a press briefing yesterday.

The 38 rallies organised jointly by the South African Communist Party and Cosatu would popularise core eco-

nomie and political demands that were being debated in the federation, and demands that would be negotiated with the SA Co-ordinating Council on Labour Affairs (Saccola) and the Government.

The demand for an interim government and entrenchment of workers' rights in a new constitution would be highlighted.

Unions would continue their struggle to upgrade wages, but would also fight to defend jobs, which May Day symbolised, Anthony Reuters

of Cosatu's Living Wage Committee pointed out.

He said Cosatu estimated that 200 000 miners would lose their jobs this year, as would 35 000 metal workers.

Cosatu held the view that retrenchments were the result of a number of developments, including worldwide recession and an attempt by the State and employers to maintain control of the economy in a post-apartheid SA.

The federation is calling for a moratorium on re-

trenchments, arguing that by the time Cosatu negotiates with the State and employers on retrenchments, the number of unemployed could exceed 7 million, which would make it impossible to have any real economic growth.

The federation said at least 150 000 jobs could be created immediately by proceeding with the electrification of black townships.

About 200 000 jobs could be created by starting a mini-boom in the housing industry.

Proposals in this regard that would alleviate the problem of job losses in the short term would be discussed when Cosatu met Saccola in June.

Longer and medium-term issues dealing with ways of expanding South Africa's manufacturing base; the creation of a retrenchment fund with contributions from big business and the State; and a demand for a living wage and pension would also be raised in this forum.

AAM to protest Sasol firings

Sowetan 26/4/91
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 Sacwu 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 Zamdela Crisis Committee, which co-ordinates the boycott, are under way. - *Sowetan Reporter.*

Gentle words that take the edge out of axing

B10ay 28/4/91

CHARLOTTE MATHEWS

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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 Redelinghuys 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

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Star 25/4/91

At least 20 000 Afrikaner families are destitute in Pretoria alone, a welfare organisation for Afrikaners, Werk en Oorleef (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.

Kleintjie 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 Oorleef 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.

CM- 71475 25/4/91

Plan to create new jobs

Political Staff 25/4/91

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

W/Mail 26/4-2/5/91.

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 Chaney 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 re-

Professionals are feeling the pinch as companies lay off staff.

By MONDLI MAKHANYA

sult 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 widescale 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.

Matriculants, 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 Cypionka, 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.

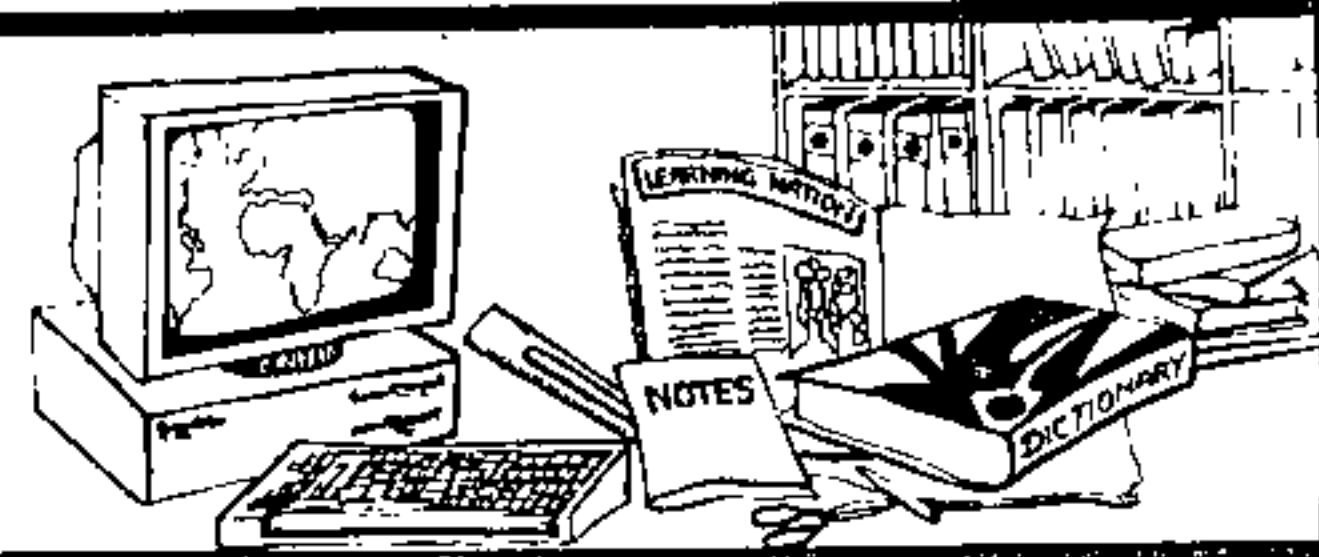
Professional Assignments MD Sidney Catton said he had noticed a trend among companies to cut back on inexperienced personnel.

"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 Catton.

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."

RESOURCES



The law and retrenchments

New Nation (Learning Nation) 26/4 - 2/5/91.

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 reasons for the termination is as a result of the disintegration of capitalism. Retrenchments show that the capitalists are incapable of controlling society to the benefit of the oppressed masses. There is nothing as terrible as a worker losing her/his job as this means that the worker cannot pay her/his rent, buy food for her/his family, pay her/his accounts and send her/his children to school.

Everyday we read about workers who have lost their jobs as a result of retrenchments. What are retrenchments? Retrenchments happen when workers lose their jobs for reasons other than misconduct or incapacity. These reasons are the following:

1. When the company is not profitable

The main cause of retrenchments is when the company is not making any profits or making insufficient profits. The number of retrenchments increases dramatically during an economic crisis. At present international capital is experiencing an economic crisis. One of the results of this crisis is the closure of companies which are not making enough profit. Some companies also close down branches of the company that are unprofitable. The closure of companies or branches of companies results in the retrenchment of the workers working in such companies or branches of companies.

When a company is operating at a loss then it makes plans to cut costs. Another word for cutting costs is rationalisation. Normally the people who are affected the most are the workers. The director of the company never first decides to sell his two holiday houses or his third company car to cut costs.

2. Redundancy

Retrenchments are also called redundancy. A worker's job becomes redundant as a result of the introduction of new machinery/technology. An example is when a woman who makes tea at work is no longer needed because the employer introduces a tea and coffee machine.

What does the law say?

The Labour Relations Act says that before an employer can retrench a worker s/he must comply with the following requirements:

1. Prior Notice

The employer must give the worker prior notice of her/his intention to retrench. Where the worker is a union member such notice has to be given to the union. Prior notice means a reasonable or adequate notice. This notice should be adequate enough for consultations to be completed.

2. Prior Consultations

The employer must consult with the worker before s/he decides to retrench. Where the worker is a member of the union the employer must consult with the union. During these consultations the parties must discuss the reasons for the retrenchments, possible ways in which the retrenchments can be avoided, the workers who should be selected for retrenchments, severance pay and preferential employment if jobs become available later. If the worker or trade union does not accept retrenchment during these consultations a dispute can be declared.

3. Compliance with contracts of employment or other agreements

The employer must retrench the worker in compliance with her/his contract of employment. If the worker entered into a written contract of employment which deals with retrenchments, the employer has to comply with the

provisions of this contract. A further example is when a recognition agreement between the company and the trade union exists and this recognition agreement includes a retrenchment agreement. The employer is then bound to follow the procedures in the retrenchment agreement.

4. Reasonable Criteria

The employer must give reasonable criteria or reasons for the retrenchments. 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 needs of the worker should be taken into account. The fact that retrenchment will cause eviction, repossession of household goods, hunger and misery is not important to the legislators (the people who make the law). The fact that with the high unemployment rate it would be unlikely that the worker would find alternative employment, is irrelevant to the legislature.

If the employer 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. The law is not clear about how much information the company is obliged to give. This will depend on the strength of the trade union or worker.

4.2 Selection Criteria

The employer must give reasons why he chose to retrench the workers selected for retrenchments. The law says that these reasons must relate to the ability, capacity and productivity of the worker. This is clearly unfair as these definitions can be interpreted in any manner by the employer as they are subjective. The law says that these are not the only criteria that can be selected. The most common objective criterion is the "last in first out" criterion. This means the workers with the shortest years of service are the first workers who have to be retrenched and the workers with the longest years of service are the last workers who should be retrenched.

Avoidance of retrenchment

During the consultations, the worker or the union can give examples of how retrenchments can be avoided by giving alternatives to retrenchment. The following are a few examples:

- elimination of overtime
- early retirement
- transfer of the employee within company (this is especially relevant where the retrenchment is as a result of a redundancy)
- training and retraining of workers to take up other posts
- lay off
- reduction of all salaries in the company
- short-time
- transfer of ownership and control of the means of production (the company) to the working class. (It is self-evident that the employer will never agree to handing over the ownership and control of the factory to the working class. The only alternative would therefore be to take forceful control of the means of production).

A problem with the consultative process is that the employer has to agree with the proposals with regard to alternatives to retrenchment. The employer is not legally

compelled to accept the proposals. The worker or trade union would have to use other forms of action such as strikes to compel the employer.

Acceptance of retrenchment

1. Payment of Severance Pay

If workers or their trade unions agree to the retrenchment, they must negotiate the payment of severance pay with the employer. Severance pay is an amount of money paid to the worker by the employer for compensation for the loss of the worker's job. The law is not clear whether the payment of severance pay is compulsory in all circumstances or not. In practice severance pay is normally paid. The average amount of severance pay is one or two weeks pay for every year of service. Where the workers are unionised and the union is strong, a bigger amount can be negotiated.

2. Preferential employment

Retrenched workers or the unions can demand that the employer should give to the retrenched worker preferential treatment where the employer decides to employ again in the future.

Rejection of retrenchment

Where workers or unions do not accept retrenchment, they can either take the company to the industrial court or take mass action. Examples of mass action could be strikes, picketing, factory occupations, blacking action and marches. Can you think of other forms of mass action? As the law on retrenchment is clearly in the interest of the employer, the industrial court will not readily prevent the employer from retrenching workers.

If the employer has clearly not followed the above procedures then the industrial court will give the retrenched workers some relief. This relief can include reinstatement and/or the payment of money.

Unemployment benefits

Retrenched workers are entitled to UIF benefits when they are retrenched. They must obtain their blue cards (UIF cards) from the employer and register with the Department of Manpower for UIF benefits. These benefits are only available for six months.

Is there a solution to retrenchments?

The law does not give a solution to retrenchments. It only lays down the procedures that the employer must follow when it wants to retrench. If the legal procedures were not followed then the law says that the retrenchments were unfair. The law says that it is fair for the employer to retrench. There is no solution to retrenchments under capitalism. Only in a society where production is for the needs of the people and not to make profits for a few individuals will there not be a problem with retrenchments.



By TERRY BETTY

THE THREAT of anarchy caused by unemployment has been tackled by the Soweto City Council. It has developed labour-intensive construction programmes.

Their purpose is threefold:

- To improve the water reticulation system which is in a bad condition because it is old and the increased density of the Soweto population.
- To create jobs.
- To train people to become contractors.

An estimated R10-million a year could be saved by halving leakages resulting from pressure on the pipes.

Soweto jobless put to work

Slaves (Burs) 28/4/91

Deputy city engineer Archer Davis believes that the opportunity to enter the economy as an employer is even more important than the creation of employment for those with no skills.

Entrepreneurial development in SA (EDSA) provides commercial skills training in construction. Most potential contractors have technical experience but lack commercial knowledge. Twenty contractors can employ about 30 workers each.

Mr Davis stresses that jobs

are not merely handed out — tenders are competed for. He says the programme has shown cost savings of about 10% over conventional construction methods.

The conventional contractor cannot work in west Soweto, or "Beit", because of gang violence.

Mr Davis says: "Vandalism is caused by the lack of understanding of the need for an infrastructure. But when contractors explain the system and install it, it gains acceptance.

"Helping the community

feel it is part of the economy will stabilise it."

"But Government funding for capital projects which Soweto has used for job creation has been cut. Alternative sources of income have not been identified."

Grants were slashed "just when I had developed the resources, experience and capacity to expand low-tech, labour-intensive civil engineering construction programmes".

The Government has indicated that it will no longer subsidise black local

authorities, so the Soweto City Council is looking to the Regional Services Council for money.

Many people would question whether job creation at a time of high inflation is justified.

But Mr Davis argues that

contractors and workers do not have a high import propensity in their spending. More cash in the ordinary man's pocket will not put pressure on the balance of payments and will not exacerbate inflation.

Other work being planned includes stormwater drainage, road construction, kerbs, gutters, and possibly electrical work.

Strike threat at Metro

W/maul 2/5-9/5/91
A FURTHER 695 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. (335)

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. But the focus is significantly wider — like Cosatu's mine and metal unions, Saccawu is seeking an enhanced union role in reshaping its 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."

BUSINESS

By MONDLI MAKHANYA

THE RECESSION and increased unemployment have begun to hit medical aid schemes.

Medical aid, being a luxury, is one of the first items which people drop from their budgets.

Sizwe Medical Fund, which has 50 percent membership on the mines, has lost a sizeable portion of its membership as a result of retrenchments. Sizwe has retrenched 21 employees as a result of rationalisation measures.

Sizwe representative Sibongile Ziyambe said the worst effect of the recession has been in cutting off of prospective business.

"Companies are downscaling costs. We now

Slump hits medical schemes

require much more effort when we market our medical aid to companies and have to spend a lot more time convincing them," said Ziyambe.

She added medical aid was not a tangible product and it was necessary to persuade people they needed it.

AMA managing director Timothy Gelman said AMA was likely to start feeling the effects of recession in the next few months. AMA has a minuscule membership on the mines but is contacted to some companies in allied industries.

"We've restructured our company for cost containment. We've created a hierarchy of medical products that will enable more people to have access to medical aid cover," said Gelman.

While unemployment may lose some medical aids members, the Wits Chamber of Commerce and Industry's scheme believes it may gain membership as result.

"When professionals lose their jobs they may decide to move into small business. So unemployment on its own can bring in members for

us," said chairman Pat Corbin.

Corbin said the high cost of health care which had the effect of pushing people off medical aids in bad times, would put a burden on public health care. "We have been trying to get doctors to prescribe generics."

Pulse Medical Consultants' Louis Esterhuizen said a recession might have the effect of forcing people to take out medical aid cover.

"When recession comes people have less disposable income. People with no medical aid may therefore be compelled to get on to medical aid in order to save on the high costs of medical care," said Esterhuizen.

the blues of unemployment through Edenvale's HOPE car wash project and earn

CYNTHIA Villa felt so guilty about the number of jobless men she saw hanging around Edenvale she decided to do something about it.

She could not herself offer any one of them a job so she decided to start an "employment bureau" through which she could help them to find some sort of work.

This was the humble beginning of the organisation Help Out-of-work People in Edenvale (HOPE).

Its mission is to help people who are out of work for virtually any reason. It does this by trying to create employment opportunities by involving caring members of the community to help them give educational and skills training and to find jobs.

The organisation, led by a five-man steering committee, registers out-of-work people, screens participants and seeks shelter for the people it has registered.

HOPE for jobless around Edenvale

Star 415791
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

8 Apr 8/5/91
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 55 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 Ariovich 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 10 000 jobs —
Page 3.

Mine and union work to reduce retrenchments

VERA VON LIERES

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 minimising 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 1 084 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 minimise job losses at the mines, including proper transfer procedures which did not entail a loss of pay.

Proposals were also made on re-training 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 re-training 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'

C/T 16/5/91 (335)
BLOEMFONTEIN. — Unemployed white women and girls have been appointed in office jobs "that became available from nowhere", Mrs Babsie 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, Badplaas, 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

Offers pour in for OES jobless

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 Huyssteen, 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 Huyssteen 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, Jeffreys 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.

Thursday May 16 1991

10 000 at TPA may lose jobs

Sowetan 16/5/91

By ALI MPHAKI

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.

Mine pension funds still in good shape

By Derek Tommey

The many retrenchments by the mines will not affect the performance of their pension funds, says Herc 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 1990 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 (R87,6 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

335

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 sizeable 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 per cent 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.



Crash flight

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 of senior executives were higher than before, and job opportunities were diminishing, they said.

Thasa 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 payout was in the region of R50 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.

● Comment: Page 10

DARIUS SANAI

pollution control officers to monitor this matter properly. It is also important for me first to give hon members a survey of how many monitoring units there are and what the strategy of the department is, because the hon member made an allegation here that we had no plan or strategy to deal with this matter. That is not correct. At the moment an entire monitoring network has been deployed in the whole of the Eastern Transvaal to deal with this matter.

I should like to respond to the hon member for Bryanston. I cannot argue the issue of the pollution. What we have to control is the effect that it has on the health of the people. I can give the hon member the information which the monitoring stations are giving me. They show clearly that levels are within acceptable limits.

*I cannot give hon members facts other than that the monitoring work which is being done shows us that levels are within . . . [Interjections.]

*The CHAIRMAN OF THE HOUSE: Order! The hon Minister may complete the sentence.

*The MINISTER: Levels are within acceptable limits. [Time expired.]

*Mr J CHIOLE: Mr Chairman, environmental affairs throughout the world today revolve around the scientifically researched factual awareness that mankind is involved in one of the most deadly periods of survival in its history, that is to restore the dynamic chemical balance of the atmosphere which mankind itself has disturbed as a result of ignorance, lack of information and incompetence. Now, merely the fact that the hon the Minister of National Health is dealing with this interpellation is confirmation of the CP's criticism of the Government on the fragmentation of environmental conservation in South Africa.

Then she comes forward and plays down the true situation as it exists. Here we are saddled with one of the greatest atmospheric pollution problems in the world. Up to 57,5 tons of sulphur dioxide rain down annually on certain square kilometres in the Eastern Transvaal Highveld; almost twice as much as the 30 tons per square kilometre of East Germany. We have measured rain with a pH value of 4, which is almost a concentrated acid. Boundary fences on farms last for only two years, but this hon Minister's department deals with atmospheric pollution and

then they withhold the full facts on what is taking place.

On the other hand we see that the hon the Minister of Environmental Affairs' Committee for Environmental Management is sitting there; the environmental watchdog of South Africa and they do not even function. I want to tell the hon the Minister that this problem is so serious because her Government is too incompetent to do anything about it.

*An HON MEMBER: Hear, hear!

*Mr J CHIOLE: She has only eight inspectors for atmospheric pollution in the Department of National Health, not even enough to look at Vanderbijlpark, but she has to control South Africa.

Now the hon the Minister wants to lead us to believe that there is no adverse impact. No annual reports are issued by her on this subject. Meanwhile disturbing fish deaths are already occurring in the Olifants River, which is one of the arteries to the Kruger National Park, as a result of acid water and water pollution. The maximum fine for that type of pollution of the atmosphere is still only R500.

I want to ask the hon the Minister, whose health services are collapsing in consequence of a shortage of money, how much more she has budgeted for research into atmospheric pollution this year. [Time expired.]

*Mr C B SCHOEMAN: Mr Chairman, I want to tell the hon the Minister that, if there was one prosecution after 2 000 permits had been issued in respect of toxic and offensive gases to firms who release them, this is very tragic. Then we are really living in a fool's paradise. Nowadays we are so obsessed with the idea of a new South Africa that the actual South Africa, which has to feed and carry us all, will already have been destroyed under this Government before that phantom of theirs is ultimately realised.

One point that emerged very clearly in this short debate today is the fact that South Africa can no longer afford a fragmented environmental management system. Not one of the various departments which have to deal with environmental management can manage its task thoroughly owing to a lack of either the necessary funds, expertise and the ability to monitor it effectively or the necessary control and law enforcement.

There is only one solution for South Africa and that is a national environmental management system with centralised management and responsibility. [Time expired.]

*The MINISTER OF NATIONAL HEALTH: Mr Chairman, I gain the impression that hon members of the CP would like to take the credit for the Government's introduction of one system for environmental management. [Interjections.] That is true. The Government has already had this investigation undertaken by the President's Council. The Department of National Health supports the principle of atmospheric pollution control and waste management being combined in a new plan. We are waiting, however, for the recommendations of the President's Council, after which we shall come forward with a clear, new system of management for environment affairs.

The hon member made out a case here for prosecutions. Nevertheless I think he knows that the department has the power to close a factory if it considers that to be in the interests of the health of the population of that area. We shall exercise this option. Surely one cannot institute a prosecution when one takes a measurement and the emissions of that factory comply with norms that are laid down. This is specifically one of the points of departure in pollution as a whole behind our monitoring. The hon member is working on assumptions which are not based on scientific research.

*Mr C B SCHOEMAN: It comes from this annual report!

*The MINISTER: Yes, show us the results that come from these gauging instruments. Show us what the monitoring stations have to say about atmospheric pollution. At this stage we have a comprehensive report. I want to mention only a few statistics. At the moment lead and sulphur dioxide monitors are operated at 150 sites by 37 local authorities.

The hon member wants to make the point that we have only eight atmospheric pollution control officers. He does not know how the system works. It is carried out by local authorities. Motor vehicle exhaust fumes are measured by five local authorities on 10 sites. [Time expired.] Debate concluded.

Poverty, hunger and unemployment

2. Mr J J WALSH asked the Minister of Finance:

- (1) Whether the Government intends taking immediate steps to combat poverty, hunger and unemployment; if not, why not; if so, what steps;
- (2) whether he will make a statement on the matter?

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The MINISTER OF FINANCE: Mr Chairman, poverty and hardship in South Africa basically manifest themselves in the following two ways, firstly through insufficient income and, secondly, through insufficient access to certain basic services for which governments normally accept responsibility.

Although an element of cyclical unemployment may occur, unemployment, and therefore poverty, has largely embedded itself as a structural problem in the economy for which there is no short-term solution. A comprehensive multifaceted development approach has therefore been adopted to combat the problem of poverty.

Alleviation is dealt with at the following three levels—firstly, the restructuring of the economy to increase the growth, income-earning and employment potential; secondly, the addressing of urgent socio-economic development problems, including the human capital dimension, and thirdly, the implementation and extension of an appropriate safety net to assist vulnerable groups in society who do not benefit from the economic restructuring programme in the shorter term.

As far as the implementation of a safety net is concerned, the following measures have already been announced in the 1990-91 Budget. Firstly, there is a zero-rating of VAT on maize meal and brown bread. Secondly, the following amounts have also been voted for the improvement of old-age assistance allowances, namely R820 million, which represents an increase of R28 per month, for all population groups, from 1 April 1991; R155 million in order to remove the disparity between Blacks in the RSA and self-governing areas and R505 million to advance closer to the equalisation of old-age assistance allowances of all population groups—roughly 20%.

Thirdly, R220 million has been allocated for special assistance schemes to the acutely destitute, in respect of which I have already answered several questions in this House. The following measures will also, directly or indirectly, make a contribution towards the long-term alleviation of poverty: Firstly R75 million for the SBD, secondly R1 billion that is to be invested by the IDC and the Development Bank of Southern Africa during the next two years; thirdly, a further amount of R269 million that was proposed in the supplementary budget for special socio-economic capital projects; fourthly, certain other VAT measures which will particularly benefit the lower income groups, such as the measures in respect of commuter services, welfare organisations, etc; fifthly, the amount of R1 billion that was announced by the hon the State President on 29 April, part of which will be allocated to special programmes and projects to improve adverse living conditions. This amount will be financed from a reduction in the levels of strategic oil supplies.

I do not intend making a further statement in this regard at this stage; I do not deem it necessary. As I have said in previous replies, we will keep hon members informed as progress is made by the Calitz Committee. [Time expired.]

Mr J J WALSH: Mr Chairman, may I just say at the outset that one of the problems I believe we do have is largely an administrative one, and that is that a lot of the assistance the hon the Minister has mentioned is either off-budget or on-budget or coming from various sources. I think it is very important that this must all be brought together as I believe there is confusion.

I want to make a point about what immediate steps are being taken to alleviate the situation. Quite correctly, the hon the Minister has listed a number of projects involving heavy expenditure, and he has also referred to the longer-term requirement of economic growth to provide employment opportunities. South Africa appears at the moment to be heading for an economic disaster, and I just want to ask whether enough is being done in the short term to avoid the consequences of that economic disaster. [Interjections.]

Already we are experiencing that. I do not have to remind hon members of the situation pertaining to violence in our country and the deaths occurring through malnutrition.

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What really seems to be required is an extra special, short-term effort to help people on the ground, in our townships, who are being told of the new South Africa, but who have actually felt no benefit whatsoever. Something creative needs to be done to assist these people.

Our papers and journals are filled with advice about what could be done to meet that particular need. It is the Government that is able to take the necessary action. We can advise and criticise, as can other people, but it is the Government that is responsible for actually taking the action. We believe that not sufficient has happened so far. On the one hand, unrealistic, unachievable expectations are being stoked up, and these must be tempered with realism, or they can or will never be fulfilled.

On the other hand, those who have been deprived materially, those whose economic advancement has been deliberately retarded, must be shown that there is a Government that cares, that there is concern, sympathy and understanding. This requires immediate short-term actions—actions which create employment, actions which may not necessarily be economically viable, if measured in true economic terms, but which would have a social impact and meet the sort of needs that I have set out. This is beyond the realm of economic management and requires a co-ordinated, multi-departmental crisis action.

*Mr D P DU PLESSIS: Mr Chairman, on the one hand it is heartening to see that White women are now working as petrol pump attendants and domestic workers because they are too proud to beg. On the other hand, it is tragic that Whites who have been trained to do better work, are being forced to do this work simply because there is no better work available for them. [Interjections.] This state of affairs is attributable to the fact that South Africa's economic performance at the moment is poorer than any time since the Second World War.

According to the newsletter of the Chamber of Mines for April/May 1991 the labour intake in the formal sector for 1965-70 was 73,6%; for 1970-75, 62,7%; for 1985-90, 12,5%; and according to Sanlam's economic review for May 1991 it is at present 10%. The Government has therefore pre-eminently succeeded during the past number of years—this has, moreover, been its only success—in plunging the country into poverty. [Interjections.]

I am sure the Government has a standing committee which thinks up and implements failures, because this is the only way the Government could have succeeded in pauperising an economically prosperous country within the space of a few years. Increased training, education and home-ownership as a means towards social upliftment have never yet succeeded anywhere in the world. There is only one way the Government can make a contribution to social upliftment, and that is by way of a production-oriented budget in order to create jobs, and in this respect, too, the Government has failed dismally. [Time expired.]

The MINISTER OF FINANCE: Mr Chairman, I differ with very little as far as the general outlook of the hon member for Pinelands is concerned. However, we have this dual challenge in the Budget. On the one hand the tax load should really be lowered in order to generate economic growth. We have succeeded in maintaining the tax load at the previous GDP percentage level. On the other hand the demands for further State expenditure are by far exceeding our abilities.

The other day I mentioned in public that if it had not been for the capital outflow from South Africa over the past six years—even if we do a single calculation and not a compound one—this year we could have had a GDP of at least R20 billion more, and if we take 24,9% of that as the tax load, then we could have had at least R5 billion more to spend.

*This is, of course, arithmetic which those poor CP members will never in their lives be able to understand. [Interjections.]

The simple truth is that one cannot print dollars. One cannot print money for oneself on a printing machine. Economic growth is dependent on one's international position.

*Mr S C JACOBS: There the teacher is emerging, and presently the clergyman will take the floor.

The MINISTER: All I can say is that the hon member spoke about a multifaceted . . . [Interjections.]

*Oh, keep quiet, man! [Interjections.]

†That hon member spoke about a multifaceted approach, and in that respect I want to refer him

to what I said earlier. We have, indeed, a multifaceted, multi-departmental approach, and it is our intention not only to combine the efforts of the Public Service as such, but also to combine with the private sector.

*With reference to the poor hon member who stood up and spoke such a lot of nonsense about the economy, I should just like to hear from the CP one day what would happen to an economy if it had a constant outflow of capital. [Interjections.] [Time expired.]

*Dr F HARTZENBERG: It is your politics that has done this! [Interjections.]

*The MINISTER OF FINANCE: It is your policy, you silly thing (*you dom ding*)! [Interjections.]

*The CHAIRMAN OF THE HOUSE: Order!

*Mr S C JACOBS: Mr Chairman, on a point of order: I submit that the remark the hon the Minister has just made, referring to the hon member for Lichtenburg as "you silly thing", is not in order. [Interjections.]

*The CHAIRMAN OF THE HOUSE: Order! Could the hon member just inform me what the remark was?

*Mr S C JACOBS: Mr Chairman, the remark made by the hon the Minister of Finance, with reference to the hon member for Lichtenburg, was that he was a silly thing. [Interjections.]

*The CHAIRMAN OF THE HOUSE: Order! I do not think the general sense in which the hon the Minister made the remark was necessarily derogatory, but I nevertheless want to caution all hon members to moderate their language. [Interjections.]

Mr G C ENGEL: Mr Chairman, in this year's Budget the hon the Minister of Finance provided R220 million for direct short-term relief aid to the poor, or 0,25% of his Budget for our 7 million citizens considered extremely poor. This amounts to R31,43 per person per annum, or R2,61 per month in this year.

Then he created 510 000 new low-income taxpayers in this Budget by reducing the primary rebate, which will only increase wealth discrepancies between the haves and have-nots. This

HOUSE OF ASSEMBLY

new category of taxpayer will fund R76 million in the hon the Minister's Budget of the R220 million that he has given out.

This drop in the ocean will not solve many problems. Identified delivery systems of relief and aid are clearly not yet in place, and it would be true to say that the conditions for the average Black South African are even worse today than they were 16 months ago when the transition process started. The underprivileged are fast losing hope, and to this extent I wish to put forward several constructive proposals to help restore personal dignity and our social fabric.

Firstly, the State should create new employment programmes to create site-and-service stands, housing, electricity and other infrastructural projects. This could be handled by the State or tendered out to private enterprise. Prescribed asset requirements may be necessary to fund such projects. Although this is not an optimal situation, it is certainly the lesser of evils, as our tax base, as the hon the Minister has already said, is too small because of years of low economic growth. This type of programme was successfully introduced during the Great Depression in both the USA and in this country, and it could be started virtually immediately. Only the State has the resources to kick-start such a programme. [Time expired.]

Mr J J WALSH: Mr Chairman, the hon the Minister correctly referred to the restrictions placed on him as far as the tax base is concerned, but I believe we need to be constructive and look for alternative forms of financing. This party, earlier in the session, raised the whole question of a State lottery, which I believe, as a matter of grave importance, should be looked at and a decision taken.

Secondly, we as a party have for many, many years been critical of the own affairs Administrations and the duplications, of facilities in that area. Yesterday the hon the Chairman of the Ministers' Council indicated that there was scope for rationalisation, and we would ask: Is now not the time to look at that rationalisation very carefully, saving expenditure where we can. Admittedly many, many staff members are involved, but maybe we should be looking at

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retraining those people for re-employment in job creation and development priorities.

With regard to the whole question of pension parity, which would cause a further drain, we have lodged pleas for, as we believe it is imperative that that should be done as soon as possible. [Time expired.]

THE MINISTER OF FINANCE: Mr Chairman, the hon member himself referred to high expectations. I want to issue a word of caution. So many people have talked about a lottery as a possible alternative source of revenue that, really, even if it should happen, there is no way that that source of revenue could ever address the question of hospitals, etc.

Secondly, with regard to the rationalisation of own affairs we are certainly not talking about the scale of funding that is necessary to address the poverty issue in the short term. I do not think that we should raise too high a level of real expectations.

As far as the hon member for Bezuidenhout's comments are concerned, he took a percentage which really, in itself, is a drop in the ocean, but that is additional to what is already being spent according to the Estimates of Expenditure. With great respect, that is the maximum that could have been done right now.

The hon member for Pinelands referred earlier to the whole question of various sources of funds. That is the situation as it obtains now. We have our normal sources. Certainly we are very loath to even contemplate a return to the whole issue of prescribed assets, because it gives rise to a lot of distortions in our economy. However, right now one has one's normal sources, but one has an additional source, which is the conversion of a sterilised amount of capital, lying there dormant in the way of a strategic fund, to a different kind of application altogether. This is why one cannot make it part of one's normal budget. Therefore, one needs a certain degree of arithmetic logistics in order to find out exactly what the expenditure is.

I want to reiterate: The extent of need is such today that we can do what we like, but a shifting of priorities, a rationalisation, even a state lottery—all of those things put together—will be

of no avail whatsoever without very rapid return to high economic growth. [Time expired.]

Debate concluded.

QUESTIONS

†Indicates translated version.

For oral reply:

General Affairs:

State President:

Day of peace and reconciliation

*1. Mr D H M GIBSON asked the State President:

Whether the Government will consider designating a special day in the near future, after consultation with religious leaders, to be known as a day of peace and reconciliation in South Africa, when churches of all denominations and women's, youth and other community organisations will be asked to arrange prayer meetings to be held throughout the country with a view to mobilising all citizens of goodwill to join in an endeavour to end the violence and to seek peace and reconciliation; if not, why not; if so, when?

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THE MINISTER OF CONSTITUTIONAL DEVELOPMENT (for the State President):

The custom in South Africa has been for many years that churches take the lead in setting aside special days of supplication, and that they then submit a request to that effect to the Government.

Since we are on the eve of a Conference on Violence and Intimidation, which is to be held in Pretoria on 24 and 25 May 1991, and which will be attended by key leaders from church circles of various denominations, that would be a good opportunity to make such a request to the Government, which would be sympathetic towards it in principle.

Mr D H M GIBSON: Mr Chairman, arising out of the reply by the hon the State President I would like to ask whether the Government is aware that ordinary people in South Africa are desperate to find a solution to the violence in South Africa and that they believe that people of

goodwill must take the initiative and, if the initiative has not come from anybody else, that the Government must take the initiative.

In this regard I would like to ask whether the hon the State President would consider placing the matter on the agenda at the peace conference himself, as a matter that could be discussed.

THE MINISTER: Mr Chairman, I would like to make it very clear that the Government shares the concern of all responsible South Africans about the tragic and shocking level of violence, of death and of damage that is taking place. [Interjections.]

The Government, on the other hand, has never in the past taken initiatives with regard to religious matters. It has relied on the leadership of the churches in that respect, and I am quite sure that at the forthcoming conference the churches will take the initiative. If they do not, I am sure that all of us who may be in the privileged position of attending would certainly promote that idea very strongly.

Ministers:

Exiles: number returned to SA

*1. Mr L F STOFBERG asked the Minister of Home Affairs:†

How many members of the ANC, the SACP and other previously prohibited organisations that were banned from South Africa or that fled or left South Africa after these organisations had been declared prohibited, (a) returned to South Africa in the 1990 calendar year, (b)(i) may still apply to return to South Africa and (ii) in respect of what date is this information furnished and (c) what are the names of the other previously prohibited organisations?

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THE MINISTER OF HOME AFFAIRS:

(a) The Department has no record of members of previously prohibited organisations that returned to South Africa on their own on an individual basis. No members returned to South Africa on an organised basis during 1990.

(b) (i) and (ii) There is no definitive indication of how many exiles there are aboard and how many of them would

HOUSE OF ASSEMBLY

Lesotho mineworkers feeling gold pinch

WITH the gold price continuing to

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retrenched.

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take a tumble on the world market, thousands of Basotho mineworkers have begun returning home from neighbouring South Africa.

The price plunge is said to have cost

South Africa's mining industry at least 50 000 jobs last year alone, and the trend is expected to continue for the rest of this year.

A retrenched miner who asked not to be named said he came home three weeks ago after working for only six months on the mines and had still not informed his wife that he had been

"My wife would be shattered at hearing the news. We were planning to build our own house by the end of this year as we are still staying with my parents."

At the beginning of 1990, the average number of Basotho mineworkers in South Africa was 103 040. By the end of February 1991, the figure had dropped to 95 551.

The decrease has rattled Lesotho government circles because of the economic repercussions for the country. — INTER PRESS SERVICE

R130m
boost for

Waterfront

Staff Reporter

THE Victoria and Alfred Waterfront development is to receive a R130m boost in funds for the building of the second phase of the complex, which will include an aquarium and cruise liner hotel.

Transnet MD A T Moolman said this yesterday at the unveiling of a commemorative plaque to mark the completion of phase one which cost about R63m to build.

Phase two will transform Victoria Wharf into an entertainment area containing an 11-cinema complex, restaurants, a seafood market, specialist shops, Sea World aquarium and a cruise liner hotel with restaurant and conference facilities.

Moolman said the waterfront development was the "crown jewel" among the property which Transnet had "inherited" from SA Transport Services.

He said not only was it the pride of the city but the whole country.

Unemployment threat to orderly transition

By AUDREY D'ANGELO
Business Editor

NO time must be lost in solving the problems of unemployment and homelessness, Bob Tucker, MD of the Perm, told delegates to the annual conference of the National Association of Homebuilders (NAHB) at the Cape Sun yesterday.

He said homelessness was destroying the fabric of family life and creating a subculture of violence.

And it would be disastrous for the next government to come to power faced with this problem and with an estimated 44% unemployment rate by the end of the century.

Tucker was underlining points made throughout the two-day conference by speakers including the State President, F W de Klerk, who stressed the importance of affordable homes and said: "One of the major threats to an orderly process of transition in our country is the large number of unemployed and unemployable young people."

"Therefore, our commitment to securing stability coincides with our determination to use a dynamic housing process as an element in a programme of job creation."

De Klerk said that 90% of new homes would have to be low-cost housing. The private sector would have to be innovative and "create new, much more economic products that will still render a reasonable return".

The President of the Afrikaanse Handelssentrum, Gerrie Steenkamp, a Cape architect — said at yesterday's session that the approach towards town planning should be changed to accommodate the Third World element and rapid urbanisation.

He said that instead of wasting money on bringing water hundreds of miles from the Lesotho Highlands to the already overcrowded PWV area, or providing rapid transport from dormitory areas to workplaces, there should be new smaller cities where people could live near their work.

Steenkamp suggested that city councils

should take the lead "and buy suitable land in our city centres which could be made available for housing."

Attractive property taxation schemes will have to be offered to developers in order to encourage development of these residential schemes.

Dismissing, as absurd, suggestions that transport should be improved to take people long distances between work and home, Steenkamp said: "When this sort of planning solution is proposed you can but shake your head — especially when you think of the rural areas in Italy where for so many years living and working areas have been integrated in the small towns."

He said he had been informed that "the coloured population of Cape Town spend approximately 28% of their income on transportation to and from their place of employment."

"Then it surprises us when we hear that these people are unable to repay their housing loans."

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or 18/5/91

Only one in 10 will find a job

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19/5/91

STimes (Bus Times)

19/5/91.
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STimes (Bus Times)

work in the townships.
"Our first priority is to stop violence. This will improve business confidence, in turn leading to more investment. It is also important to have sanctions lifted. That would lead to capital injections of R6-billion a year for infrastructural projects by the World Bank. It is less troubled by violence than private investors and its funds could raise gross domestic expenditure by as much as 4%.

"We also need less government spending and less tax. Economic concentration in the private sector should also be reduced because it has led

Jobless

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to cartels that keep prices high. Allowing SA financial institutions to invest part of their funds abroad would help deconcentration and could stop the JSE paper chase.

"We must privatise to put more funds 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."

By CURT VON KEYSERLINGK

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 30%, 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 30 000 new jobs in a year.

"Some people believe we need economic growth of about 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 Azar Jamine 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 1980s. The services sector and the Government were the only employers to increase staff numbers.

But even this growth has slowed to a trickle as the plans of the late Wim de Villiers to streamline the public sector are implemented.

Capital investment by the public sector has plummeted. With few exceptions, companies are spending barely enough to replace old equipment.

"The decline in public-sector investment harmed employment in the private sector because much of it was spent in SA on construction and goods made here," says Mr Osborn.

The only way to create more jobs is for SA to spend itself out of economic stagnation.

"We must artificially inject a significant level of de-

mand along Keynesian lines. There are opportunities for investment in low-cost housing, utilities and the rehabilitation of townships.

"The Government should persuade life insurers and pension funds to put more money into such projects. But they will require some underpinning because of the risks involved — bond boycotts and violence. This could be provided by organisations such as the Independent Development Trust.

"At least 1 000 new houses a day are needed and they could bring investment of R6-billion a year. There are still enough black people who could afford such housing."

The Government is pushing institutions in this direction. Finance Minister Barend du Plessis caused a stir at the Pensions Institute conference this week when he told delegates that if they did not include low-cost housing in their portfolios there would soon be nothing left for them to invest in.

Mr Osborn says institutions would soon want to invest in such areas out of self-interest because traditional investments such as the JSE, office blocks and shopping centres now offer problematical returns.

Increased activity in housing and infrastructure would generate jobs without necessitating excessive capital investment in the industries involved. They are operating at well below capacity.

"Regrettably, SA is condemned to a pattern of high structural unemployment and the State will have to alleviate it by providing the masses with subsistence-wage jobs in labour-intensive public works projects."

Japanese

Mr Osborn says the chances of significantly increasing employment through export industries are not great because many people do not have the work ethic needed for international competitiveness.

Dr Jamine disagrees. "That is what the British thought of Japanese workers in 1910 and of those in Singapore in the late 1950s. They said they were lazy and inefficient, but obviously people can change.

"There are tremendous practical difficulties with black housing projects. Builders are scared stiff to

□ To Page 3

Growth hopes pinned on people's pockets

PATRICK BULGER

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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 R19bn would have to be invested each year in the manufacturing industry alone to achieve growth of 9%."

It says this R19bn will have to come from people's pockets. B1 Dam 21/5/91

"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

Blomay 221571
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.

Sewnarain 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 Crysotile 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 spokesmen were unavailable for comment.

At Eskom, the union has also negotiated a lump sum to deal with job creation schemes for workers.

Sewnarain 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.

VERA VON LIERES

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Ventersdorp
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 Masakhane for the Homeless. *Star 23/5/91*

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 Venterdorp 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-million) tons.

However, with the average tariff a ton increasing from R8,18 to R11,47, total transport earnings were boosted 20% to R337m in January 1991 compared to R279m in January last year.

Council workers fired

SEVENTY-five black municipal workers — some with up to 18 years' service — were fired by the Ventersdorp 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. ~~266~~ (335)

No-one was available for comment at the town council.

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 0,9% 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".

Reports: Business Day Reporter, AP-DJ, Sapa-Reuter

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 Weerstandsbeweging (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 Civics Association of Southern Transvaal (Cast) and the PAC 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 resume ties 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-Reuter.

Standard Chartered sold its minority stake in Standard Bank SA in 1986.

MICHAEL HARTNACK

Galpin said the political situation in SA now was "promising", encouraging hopes of renewed co-operation.

"I dare say that after the complete independence they have had since then they 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

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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. ²³¹⁵¹⁹¹ (335) (3)

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

ROBERT LAING

Plessey SA and 52% 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 250 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.

Ventersdorp fires council workers

SEVENTY-five black municipal workers - some with up to 18 years' service - have been fired by the Ventersdorp 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 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 in Ventersdorp.

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 re-employed 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 Ventersdorp 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 TBVC 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 pro-

VERA VON LIERES

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Informal sector

ductivity 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.

● See Page 8

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BACK TO NO JOBS Fm 24/5/91

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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 13 000

Weekend Argus
Correspondent

Argus 25/5/91

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GRAHAMSTOWN. — Agreement has been reached over a retrenchment package for 13 000 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 re-

lease 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 13 000 workers will be retrenched gradually from the second half of this year as the onshore Mossgas project nears completion.

NEWS IN BRIEF

Income tax return extension

THE income tax return deadline for taxpayers waiting for their IRP5 forms has been extended to July 1. In a statement Commissioner for Inland Revenue Hannes Hattingh said many large employers were experiencing problems in issuing the employees' tax certificates in time. The new deadline does not apply to other taxpayers.

Ethiopians agree on ceasefire

US ASSISTANT Secretary of State for African Affairs Herman Cohen said in London yesterday a ceasefire had been agreed between the interim Ethiopian government and rebel groups. He said the US was recommending that forces of one of the main rebel groups enter Addis Ababa to stabilise the situation.

Attorneys look for winning way

A NO-SUCCESS no-fee system may apply to attorneys in certain cases, which has been approved by the Association of Law Societies.

In terms of the system, introduced because there was concern that courts were becoming inaccessible as a result of higher litigation costs, clients with claims for damages only have to pay their attorney if the claim is successful.

Unemployment on the rise

THE Organisation for Economic Co-operation and Development (OECD) said in Paris last week unemployment in the industrialised countries that are its members rose 0,2% points to 6,8%, the highest level in two years. The sharpest increases were in New Zealand, Australia, the US, Ireland and the UK. Only Germany and the Netherlands saw a decline. Japan's rate showed a tiny rise. Preliminary April data point to the first break in the upward trend in unemployment in the US and Canada in the past 10 months.

REPORTS: Business Day Reporter, Sapa-Reuters, AP-D.

JCI cites automation for improved mine safety

MATTHEW CURTIN

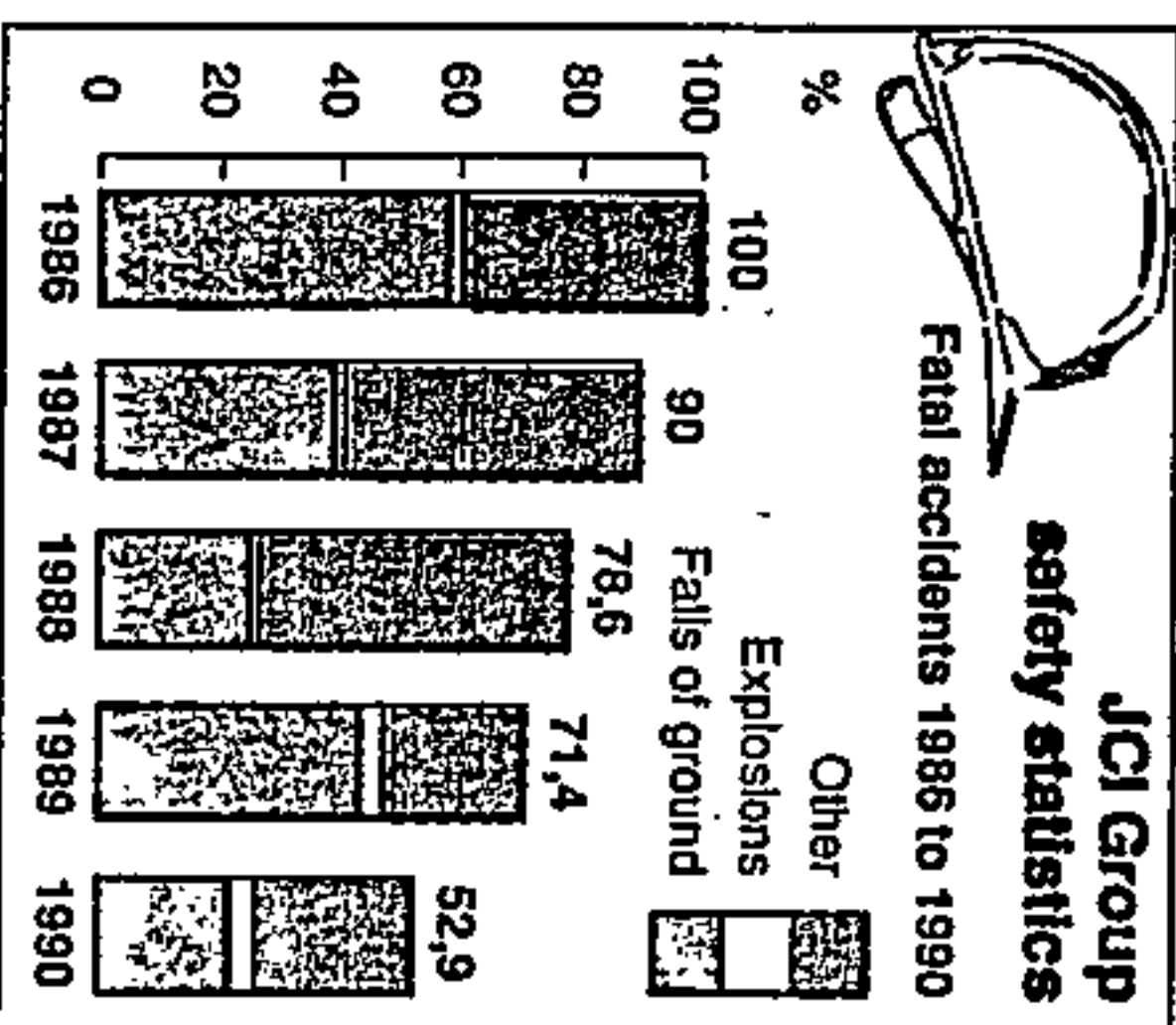
JCI's adoption of automated or trackless mining techniques and more open management systems was responsible for its unprecedented mine safety record in 1990, group technical director Hugh Scott-Russell said at a celebratory lunch yesterday.

Last year was the first time a mining house had won the Chamber of Mines' McLean Shield on its gold, platinum and coal divisions in the same year.

Randfontein Estates gold mine, the east section of Rustenburg Platinum, and South Witbank Colliery won McLean shields, awarded to mines which achieved the lowest casualty rate for surface and underground work for three consecutive years.

Scott-Russell said falls of ground, the major cause of mine fatalities, were cut on JCI mines by 16% last year, from an average rate of 2,74 for every 1 000 employees, compared with a rate of 3,27 in 1989. Last year was JCI's safest year on record, but fatalities and injuries cost the group R13,5m in payouts.

National Union of Mineworkers (NUM) health and safety officer Sazi Jonas said yesterday that the union



"had little time" for the chamber's safety ratings. After the 1986 Kinross fire, which killed 177 workers underground at the gold mine, the chamber did not downgrade the mine's four-star rating.

He said there was no such thing as a safe mine in SA, and trackless mining incurred new injuries as mine workers were under-trained in the use of the new machinery. Trackless mining had not affected the risks of miners working at the slope-face.

In a recent report on the improvement of JCI's safety record, Scott-

Russell said "the introduction of trackless mining has contributed significantly to the reduction of accidents, especially in the gold division, as workers are farther removed from the working face which is the main danger point". JCI had the best safety record in the gold industry with a fatality rate of 0,5 cases for every 1 000 employees, against an industry average of 1,2 cases in 1990. About 75% of work at the group's largest gold mine, Randfontein Estates, was undertaken by trackless methods.

JCI had also supplemented the International Mine Safety Scheme, applied on SA's mines, with an in-house scheme to make up for the former's drawbacks.

The group was committed to "engineering out" the risk in mining, adopting hydrohoisting and backfilling of worked-out areas as well as trackless mining to this end. Developing mine H J Joel had reported 18 months of trackless production without a fall of ground accident.

Scott-Russell said participative management, through "multiple integrated committees and groups" from Head Office to underground, had improved communication and employees' familiarity with and implementation of safety procedures.

Numsa seeks retraining

■ The National Union of Metalworkers has proposed that 13 000 workers facing retrenchment from the Moss gas 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. (15)

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. (18) (225) (235)

Numsa's Bimba Mangqabashana

Wimail 34

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29/5/91

(15) (18) (335) (177)
said the union had proposed a package including training to equip retrenchees 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," Mangqabashana said. (18) (225) (235)

Cosatu to seek freezing of all retrenchments

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VERA VON LIERES

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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

31/5/91

(335)

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 fi-

nal" 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 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

ket, confirms that top financial service companies are flattening management structures. His company has experienced a 33% increase in inquiries from companies and individuals who "see the writing on the wall".

Professor Arminius Ar-

RETRENCHMENTS and lack of opportunity for first-time entrants into the labour market are increasing as South Africa ploughs on through an extended recession.

The overwhelming

THERE are no accurate statistics to say how many South Africans are unemployed in the present economic crisis but the message is that the situation has reached crisis proportions. MARYLYN KEEGAN reports.

message from top economists in the country is that there are more people chasing fewer jobs and employers are

fastidious about what they choose to do. University students who believe they can get by doing the minimum amount of academic work and land a top job are for a rude shock. It's longer good enough produce "that piece of paper": students need have made the most of their education, developing their vocational potential to the hilt.

The overall employment picture is a bleak one. Professor Jan Saayman, former director of Stellenbosch University's Bureau for Economic Research who is writing a monograph for Unisa on the labour force of South Africa, says his calculations show 4.9 million economically active people in South Africa — about 37% of the labour force were not employed in the formal sector last year, a figure he describes as "unacceptable".

Temporary staff

Regional manager of the Small Business Development Corporation, Wolfgang Thomas, estimates that in the last 18 months the number of unemployed people — including subsistence earners — in greater Cape Town (including Khayelitsha) has risen from 20% to about 30% — about 300 000 people.

Thomas says there's a constant stream of people looking for jobs, particu-

lars. "A broad picture indicates that a lot of the students are aiming for unrealistically high posts. Another reason is that Cape Town's labour market is shrinking as more and more people migrate from violence-torn areas in the Transvaal. Because of the recession many companies are streamlining."

Human says one of the positive aspects of jobless graduates is that they are forced to fall back on their own resources and become entrepreneurs.

Bill Sewell of Chart Outplacement Consultants, which gives advice to managers — most of whom are retrenched — on how to re-define themselves in a shrinking mar-

□ From Page 17

ment sector. Louw continues: "We are getting to the stage where the government has to make a decision about the economy. We cannot afford the negative growth rate of this long recession. More and more people are losing jobs every day. The government policy has to become less restrictive — particularly with regard to interest rates."

Mervyn Wetmore of the Careers Office at UCT says students will find it difficult to get jobs during a recession.

Wetmore says the extended recession has made it tougher on students this year. "We have no figures as to how many of our students cannot get jobs — it would be difficult to keep

track of thousands of them — but an indication of tougher times is that fewer companies are taking part in the Graduate Placement Programme which we hold in the second semester. Last year, for example, 68 companies were involved but this year has attracted only between 45 and 50."

Kate Jowell, associate professor at the UCT Graduate School of Business (GSB) and director of the MBA programme, says that at the end of January this year about 10% of last year's students did

not have jobs. "While this is not unusual — many of the students go on holiday or head off overseas — the general picture is that it was stickier to find a job."

Transvaal

"What is significant is that those students who had intended leaving their companies to find new jobs were staying put because job prospects elsewhere were not that attractive," she said.

Professor Piet Human, senior lecturer at GSB, outlined some of the reasons why MBA students might struggle to find jobs. "There's no doubt that there are fewer jobs around and more people are competing for them. There's a real concern at the present state of affairs."

Joel Fourie, director-general of the Department of Manpower, says a survey six weeks ago which showed that those with managerial and professional skills were acquiring jobs less by world standards. "Usually they all have jobs by January but 4% of last year's graduates are still looking for placements. Many of the students are too choosy and don't want to move from the Western Cape."

There has been an almost 100% placement rate but often the person has to accept a job on a lower rung of pay and status. Many middle management people have had to swallow their pride," he said.

Recession hits graduate job market

looking for them. Firms are re-structuring and are far more choosy about the credentials and experience of candidates."

Chief economist of Sanlam, Johan Louw, says that according to last year's Budget Survey, only 12% of new entrants into the formal labour sector will get jobs.

But the position has weakened and it's acceptable and realistic to say that only about 10% can expect to be accommodated in the formal employment.

□ To Page 18

Litsa Roussos, president of the Association of Personnel Service Organisations which represents 539 recruitment companies nationwide, says comparing the first quarter in 1990 to the first quarter this year there has been more than a 50% drop in job orders from clients and a significant increase in the demand for temporary staff with her own company experiencing a 70% increase since last year.

There's no doubt that there are fewer jobs around and more people are competing for them. There's a real concern at the present state of affairs."

University leavers have found it far tougher this year to find a job and we estimate that 33% of first degree students who graduated last year have yet to find a job."

Thomas estimates it is taking white matrices an average of a year to find a job. Black need three.

There is no doubt that people are on the point of panicking even in Cabinet circles. There is a real concern at the present state of affairs."

of mouth or advertisements in newspapers but through private consultants and the Department of Manpower. "There has been an almost 100% placement rate but often the person has to accept a job on a lower rung of pay and status. Many middle management people have had to swallow their pride," he said.

Workseekers flocking to Cape

ARGUS 1/6/91

DALE KNEEN

Weekend Argus Reporter

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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.

By ADRIAN HERSCH

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By JOHANNES NGCOBO

MORE than 3 000 Jan Smuts Airport workers affiliated to the South African Railways and Harbours Workers union (Sarhwu) 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

Airport workers strike over May Day firing

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 Sarhwu and chairman of Cosatu's Thembisa branch.

Jan Smuts Airport

manager Irvin 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 REILLY

PRETORIA — About 23 000 employees lost their jobs in SA's mining, quarrying, manufacturing and construction industries between last December and the end of March this year, Central Statistical Service's (CSS's) latest employment report has found.

At the end of the four months 2 540 166 people were employed in these sectors, the report said.

In the mining and quarrying industry, employment levels dropped by 9 103 to 650 948. (335)

Job losses in the manufacturing 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 7 400 construction workers lost their jobs reducing the total number of employees in that sector to 396 300.

Employment levels in the electricity industry remained static at 48 000.

Economists have warned that layoffs in these major sectors are likely to continue until the first half of 1992.

NSA Investments to fight on

B10ay 5/6/91

SUSAN RUSSELL

EVERY possible action would be taken to oppose the R55m transaction which gives 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 Prestasi.

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 interest of the small shareholders that we continue opposing the

transaction".

Prestasi chairman Jan 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

B10ay 5/6/91

GILLIAN 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 11 bis 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 export turnover in the year to March 31 1993.

The allowance, which is to be discontinued partly because of its use in tax avoidance, has been changed from time to time. The most recent change limited an exporter's claim to 20% 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 11 bis 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 11 bis 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 11 bis.

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 so doing finance the sponsorship through the equivalent tax saving, whilst receiving very good exposure."

Once section 11 bis has been discontinued exporters will be able to get help through "primary export market research assistance".

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A few sober suggestions for unemployed activists

South 6/6-12/6/91

335

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, caucusing and crashing project vehicles counts for nothing in the viciously profit-orientated job market.

Those who don't have parents in Bishopsclere 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 to big business for a job in this field. There are enough people already making ozone-friendly deodorants and biodegradable jacuzzis. 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

Against the grain



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 Pik, Gatsha, Alan, 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 yuppie 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, M-Net.

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 LUNSCHÉ

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 outpriced 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 even 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 Gad 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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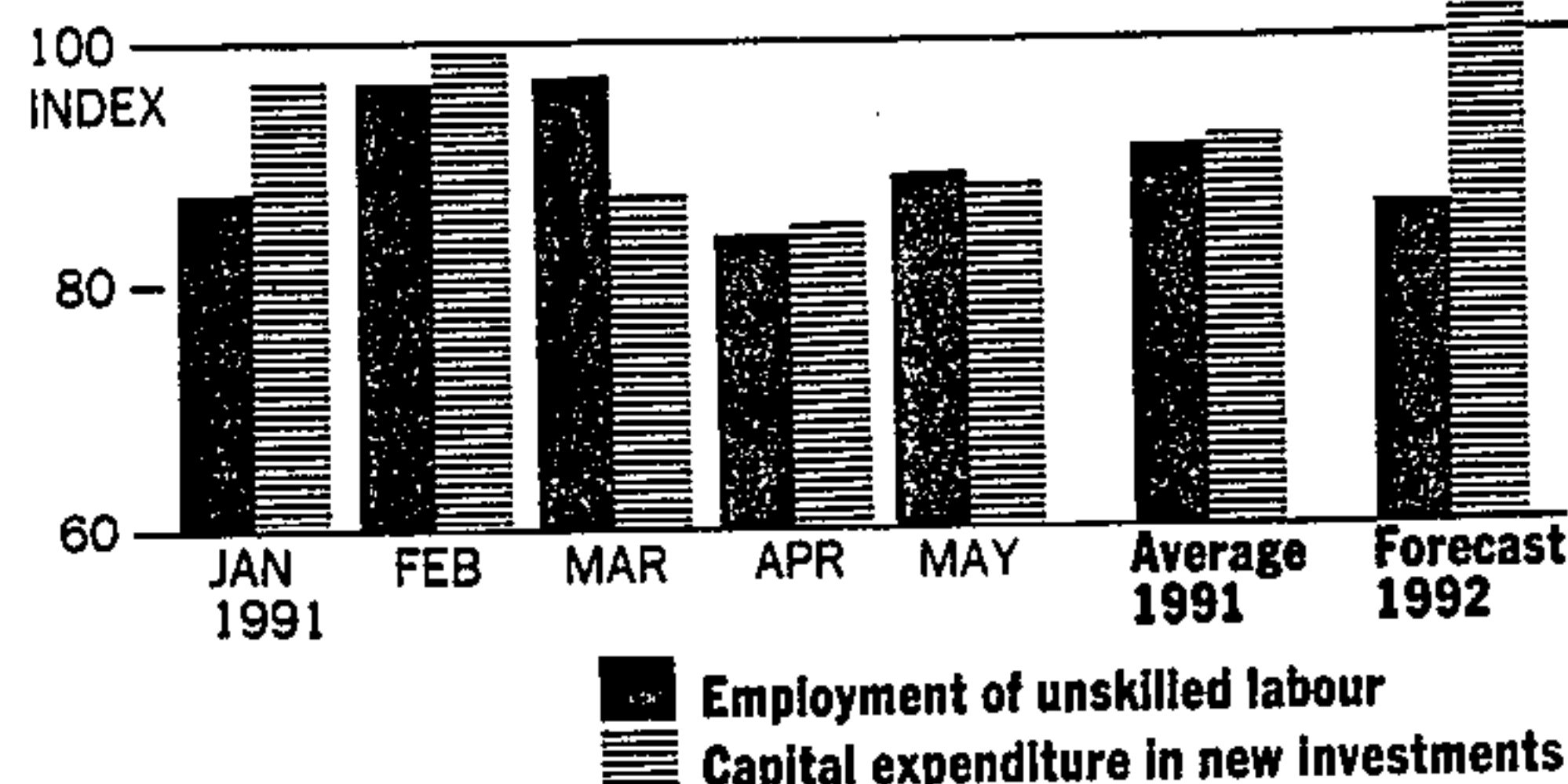
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Investment and employment in the manufacturing industry



Tokoza council slashes work force

By Abel Mabelane
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 cutbacks, To-

koza 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.

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Demos to halt retrenchments

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 managements to halt looming retrenchments at various plants.

The demonstrations and marches at various city centres were also part

Sowetan 12/6/91
By IKE MOTSAPI

of the Cosatu affiliate's campaign to force employers to accede to a demand for a R2 an hour increase.

Talks
Workers have instead been offered 48c an hour.

Placards-carrying workers took to the streets and danced as they sang freedom songs.

Numsa 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," Seifsa said 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. ~~SA~~ 12/6/91

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

CT 13/6/91
335

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 ab-

senteesim 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 off-beat 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 RSC 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 Oil prices edge up

From GERALD REILLY

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 23 010 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 185 306 in the year to end-March.

Vacancies in building societies at the end of the March totalled 68, in banking institutions 376 and in insur-

ance 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 1989.

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, 24 126 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.

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 \$0.8 higher at \$18.07 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-Reuter

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AWB set to put millions out of work

Star 15/11/91

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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 "whites 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 Mynwerker-sunie, 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.

Stormvalk general, Pieter van Rooyen of Koster, resplendent in his uniform with red epaulettes, said he had devised a system on his 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



JULUKA KHUMALO:
also known as Alan.

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 Kubheka 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

St 15/6/91
WILLIAM MACLEAN
(335)

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 ram-

shackle 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 Deep du Plessis has also become one of Soweto's whites.

A stocky figure in boots and shorts, Deep has been working for contractor Jacob Tsatsimpe 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 Tsatsimpe said his family has taken Deep du Plessis to their hearts. "He's like my son now," said Mr Tsatsimpe's mother.

"I've got a lot of friends here, a lot of honest friends," said Mr du Plessis. — Sapa-Reuter.

Creating jobs

Star
15/6/91

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GARNER THOMSON

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 percent of all businesses in Britain are small firms by definition, employing fewer than 20 people.

Between 1985 and 1987 small firms created more than 500 000 jobs, com-

pared 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.

— small is beautiful

Japie cleans up in the taxi business

PAT DEVEREAUX

UNEMPLOYMENT levels are high but Alwyn Jacobus (Japie) Marx has found his niche — washing minibuses taxis.

He is one of the many whites forced to compete for the unskilled jobs previously done only by black people in this country.

In September last year Japie (27) arrived in Johannesburg from Port Elizabeth. For a month he wandered the streets unemployed until a friend introduced him to "taxi life".

"I don't know what would have happened if I hadn't found this job. My life was in ruins after a fall-out with my family," said Japie.

Now based at the Newtown parking lot for Alexandra taxis, Japie takes pride in seeing his reflection in a shiny windscreen or in polishing tyres. He tries to scrub at least one taxi a day — at most he has cleaned four a day. For each taxi he gets paid R10.

"The competition here is quite tough and on weekends I work at the Noord Street taxi rank to earn more," he said. However, he is fully accepted as an equal by fellow taxi-scrubbers at the rank.

Asked how he survives, he said: "I manage to eat every day and if I don't earn anything my friends here give me a few rand to buy my favourite dish Chakalaka (hot salad), booze, cigarettes and toiletries." Currently Japie is staying in Soweto with a

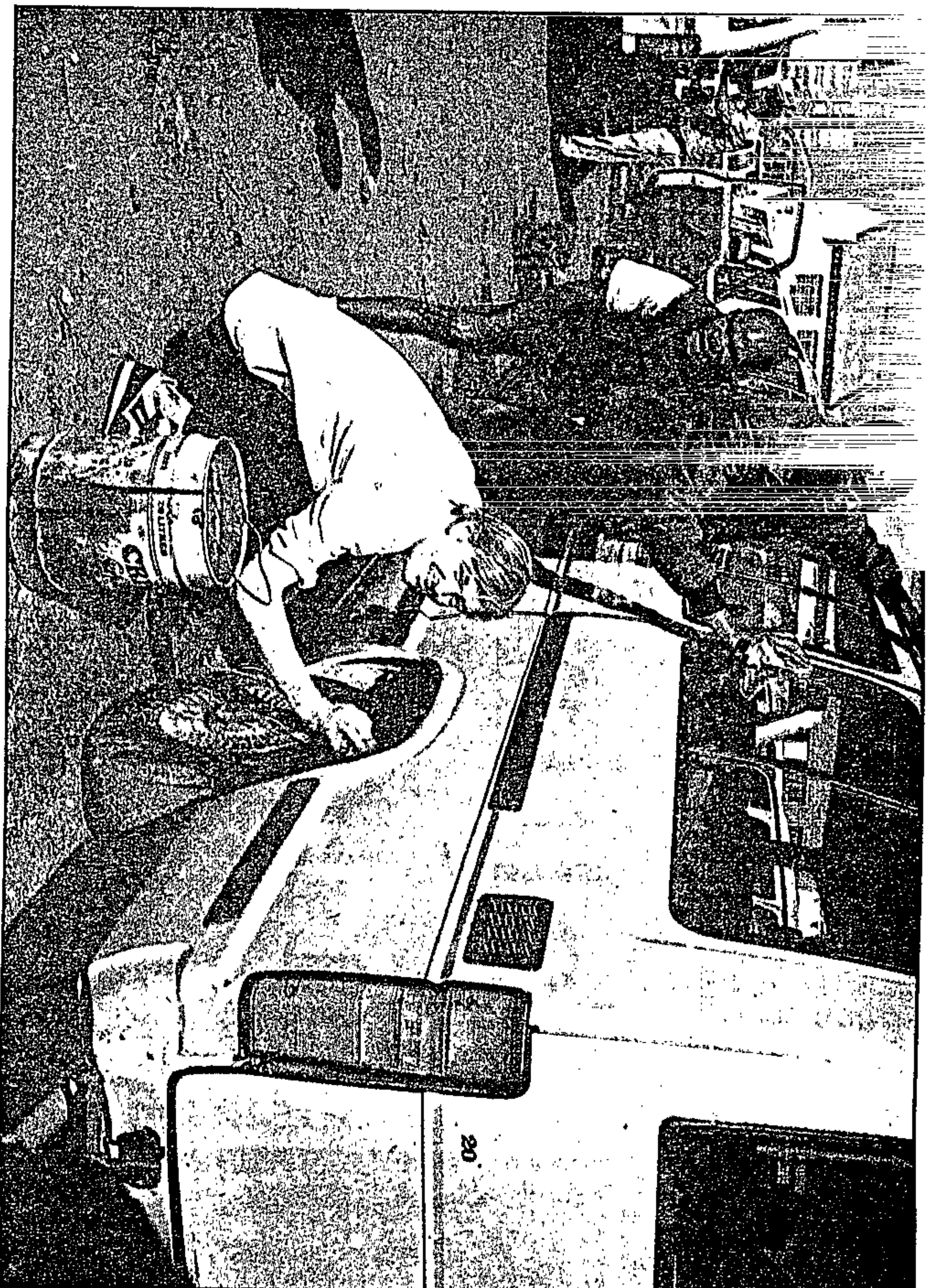
taxi driver friend but apparently other friends are trying to get him a shack in Alexandra.

Japie said he was born in Knysna and went to school in Queenstown, until Sid 7.

Later he worked in Port Elizabeth for the railways as a messenger.

"My aim is to get my driver's licence now because I want to drive taxis," he said. In the long term he would like to get his certificate as a motor mechanic.

"The only other white person I know in this city is my younger brother who also arrived recently and is looking for a job," he said.



TAKING A SHINE TO HIS JOB: Japie Marx cleans at least one taxi a day at the Newtown parking lot.

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".

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.

Political comment and newsbills by K Sibija, headlines and sub-editing by S James, both of 2 Herb Street, Johannesburg.

A way out of the jobless morass

(Times (Sundays) 16/6/91)

I MUST claim from the outset that I am as concerned about unemployment and poverty as the next person, but I wish to establish a more balanced sense of the problem than is normally encountered.

By EDWARD OSBORN, Nedcor Group chief economist

The difficulty lies in finding one's way through the official statistics, which are labyrinthine and more challenging than Pinder's Keepers.

In South Africa the economically active population is defined as the sum of workers and unemployed, the latter being neither in paid nor self-employment and who are seeking work. They therefore do not include all the self-employed, either in the formal or informal sectors, whose number can be large indeed, considering the extent of the subsistence agriculture, for example.

As a result, the economically active is only a relatively small proportion of the total population. Indeed, according to estimates based on the 1985 census the economically active are 37% of the total population in SA. The figure could be less because of the underassessment of the population total in that year.

There must be a certain degree of vagueness about the true status of those who declared themselves to be unemployed in the census because of the number of migrant work-seekers who are temporarily absent from the land, or agriculture. Furthermore, there could have been

self-employed people in the formal sector who would rather have regular paid employment and declared themselves unemployed. Accordingly, the official figures of unemployed derived from the census could be an overstatement of the true employment position, if that is thought of as related to dependency on paid employment for a livelihood.

By definition then unemployment in SA, which is taken to be the RSA excluding the TBVC states, would be the difference between the number employed and the economically active population.



Too often, however, the mistake is made of using the numbers employed in the non-agricultural sector which are accessible and published regularly, in arriving at an estimate of jobless numbers.

Thus, for 1985, with non-agricultural employment at 5 037 000 and economically active at 8 692 000 there is employment of 52% and, ergo, unemployment of 42%. However, with agricultural employment at 1 324 000 taken into account, the unemployment ratio falls to 27%.

But this is not the end of the story. The employment numbers exclude domestic workers and these would have amounted to 750 000 in 1985, with another 80 000

domestics on farms and included in the agricultural employment figure.

This brings the unemployment ratio down to 18%, or 1 447 000.

Without wishing to encourage thoughts of employment nationalism this is not much above the number of 1.2-million migrant workers from neighbouring countries and the TBVC states.

The peculiar definition of economically active gives rise to an apparent anomaly in that the estimated numbers for 1980 and 1985 are virtually the same, with 1980 at 8 689 000 and 1985 at 8 692 000, although the Ciskei was included in the 1980 census.

The anomaly might be purely coincidental and reflect on the weakness of the census in SA conditions, or it might reflect relatively smaller numbers declaring themselves to be work-seekers in 1985 when there must have been a general awareness of reduced employment opportunities because of the recession that year.

The 18% unemployment for 1985 sounds much better than the normal supposed level, but it is still bad compared with foreign countries, other than Spain, Ireland and Yugoslavia. It is, of course, infinitely better than anywhere else in Africa.

The trouble is that there is every reason to suppose that the position has deteriorated since 1985. As the Sanlam Economic Research Department has pointed out, only one in every 10 entering the labour force will be assured of employment in the formal sector.

Sanlam could have added that any

growth in employment opportunity has been confined to the so-called non-productive sectors of distribution, finance and services, including government. Employment in agriculture, mining and manufacturing has been in decline or at best static.

This reflects the pattern of growth in the 1980s which was largely confined to the non-productive sectors. The position has been exacerbated by the recent trends and tendencies to retrench, rationalise and make do with less labour.

Economic circumstances, technological developments, pressure on profits, the drive to have less and more efficient government and the effects of strong trade unionism have contributed to an attenuation of employment opportunity. This is not to criticise; it is but a statement of fact.



It does, however, bring into question the simplistic notion mouthed by so many that we have to have higher rates of economic growth — current wisdom in particular saying it has to be through exports — of variously between 5% and 9% a year.

Such statements have, of course, been made regularly in the past 10 to 15 years, but now more stridently as social unrest has developed, constitutional negotiations are about to be joined and we do everything possibly wrong in reducing employment.

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Economic growth in itself is not necessarily going to bring about increased employment opportunities of consequence unless it has a special labour-intensive bias as in services and government. Further growth in services will certainly arise, but ought not to in government.

A more solidly based growth, on the basis of exports is unlikely to contribute much because, possibly with exceptions like clothing and agricultural goods, the exports are likely to be increasingly capital intensive.

The ANC's prescription is to have labour-intensive industries for the home market through redistribution of income. There may be some contribution from this, but the significant redistribution that has taken place with a swing to black wages has not had much impact on such industries, possibly because of competition from the Far East. In that case the ANC programme would only succeed accompanied by severe protectionism.

In short we really cannot say what level of economic growth is required even to make a dent on the problem because everything depends on the composition of the growth and its feasibility.

What is so pertinent here is the limitations of skilled manpower resources in SA on future growth. It is all very well to say we must grow at 9% a year, but we have no notion of how to get there, let alone on a sustained basis, and in all likelihood we do not have the skills to make it possible.

Furthermore, there is the fundamental

aspect of the availability of risk capital domestically and from abroad.

One must conclude, pessimistically, that the position will continue to deteriorate; it will certainly not disappear as a problem simply through statements of what should happen.

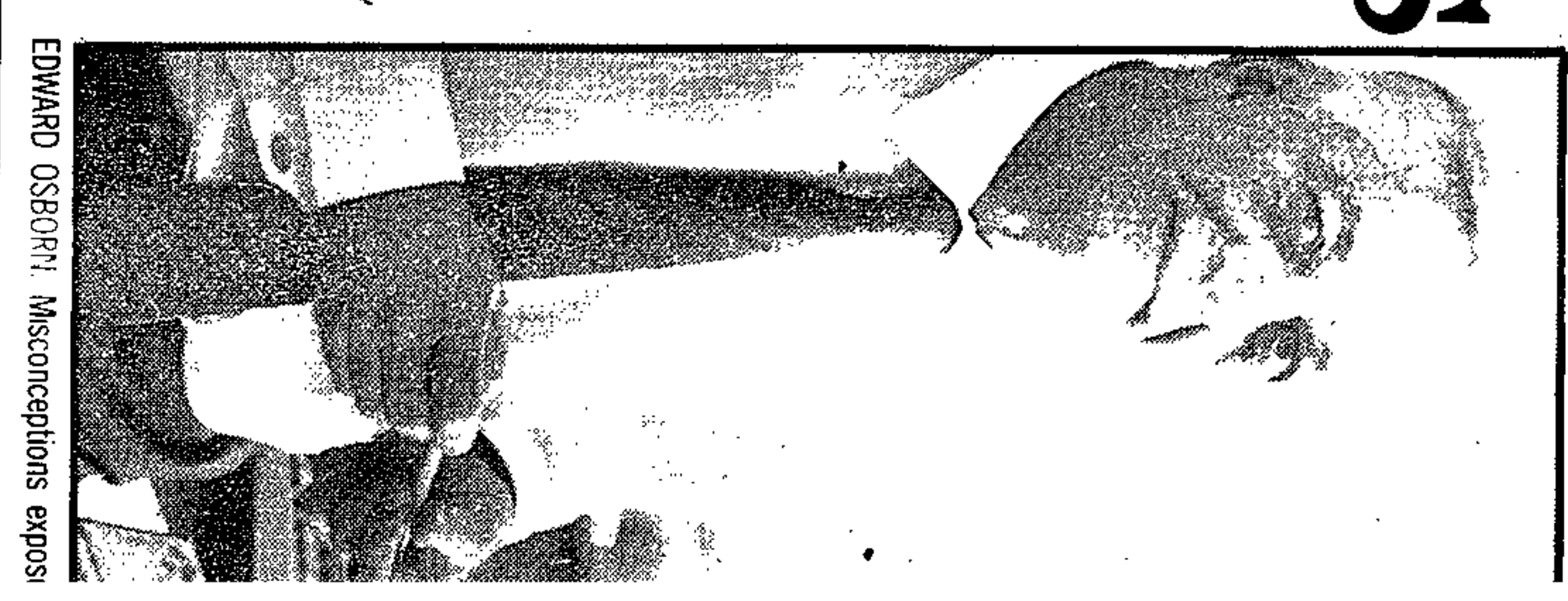
A time must come when we must turn from the normative to grasping the facts. They amount to the inevitability of mounting unemployment because of the basic structural truth that the economy in its employment-generating capacity and the growth of the population are out of kilter.



The trouble is that when there is a perceived problem we tend to think that there is a solution. At times there is no solution and in such cases it would be much better to address the problem directly, taking whatever ameliorative measures possible.

A similar problem lies with squatting and Gavin Hardy of Murray & Roberts says pertinently: "Brazil has learnt to accept the inevitability of squatters and is trying to provide these people with services, no matter how rudimentary."

The type of measures required to alleviate the position of the growing body of unemployed lies in the direction of public works schemes and social relief — not as part of the kick-start programme, but as a continuing structural responsibility of government.



EDWARD OSBORN: Misconceptions exposed

White move into Soweto

SOWETO — When Alan broke apartheid's law by going 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 went to Soweto eight months ago because he could not find a job in Johannesburg.

He likes his new life working for garage boss Za Kubheka in Meadowlands, one of the roughest areas of the township, but crime is a problem.

Alan said: "I would rather live in (white) Johannesburg. The living conditions are better. You've got security there."

"But what can you do? Half a loaf is better than nothing. Unemployment

plays a definite role (in being here)."

Alan underlined the sensitivity of his decision to cross the racial divide in South Africa by asking that his family name should not be published. He wanted to avoid reprisals against his parents by white rightists.

He thinks more unemployed whites would go against 300 years of white supremacy and settle in townships to work for blacks if only they could conquer their racial fears.

He was made to feel welcome in Soweto. "It's basically about respect. Blacks have a very high respect for the young and old. If you respect them and treat them like humans, there's no prob-

lem," he said. His boss Kubheka said: "He's a good worker. We like him."

Harry Mashabela, South African Institute of Race Relations black researcher, said: "When people heard about him living there they could not believe it. It had to be a trick."

Black journalist Zingisa Mkhuma wrote: "He attracts stares and curious glances and Soweto residents would give anything to have a conversation with him."

The welcome for whites in Soweto contrasts sharply with a grudging attitude to blacks who move into Johannesburg, where white landlords often demand that blacks pay

twice the rent asked of whites.

Unemployment and a shrinking mining industry has forced many whites to accept menial work usually done by blacks.

Dozens of poor whites in Johannesburg sleep in boxes and shacks while hunting for jobs as car washers and maids but few enter townships.

Alan said apart from white priests he knew of only a handful of whites in Soweto. Alan's presence will be illegal only until June 30, when the Group Areas Act and 40 years of residential apartheid end as part of political reforms.

Alan, an unkempt, lanky figure, says he has

become fascinated by black tribal dancing and herbal healing.

He drinks at shebeens and says he doesn't care whether his future wife is white or black.

Alan speaks a township dialect of mixed Zulu, Sotho, English and Afrikaans learnt in years working with blacks in the mines and as a cook.

He has taken the Afrikaans name Juituka Khumalo.

Alan earns R140 a week and lives in a bleak room in a building firm's ramshackle offices rented for R60 a month.

Over in Dobsonville section white Afrikaner builder Doep du Plessis has also become one of Soweto's whites.

A stocky figure in boots and short, Du Plessis has been working for contractor Jacob Tsatisimpe for more than a year because, like Alan, he could not find work elsewhere.

Du Plessis brought his wife and two children to live in the township. Tsatisimpe said his family has taken Du Plessis to their hearts. Thieves stole Du Plessis's car at gunpoint but left him unharmed. Tsatisimpe told him they were "just baptising you".

Du Plessis said: "I've got a lot of friends here, a lot of honest friends." — Sapa-Reuter

800 jobs lost as bank pulls out of management buy-out plan ⁽³³⁵⁾

By TOM HOOD,
Business Editor

ABOUT 800 jobs will be lost with the closure of the country's largest conventional wholesalers, Frasers, Greenstein and Rosen.

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 pos-

sible 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 R170 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.

More mine closures threat to 40 000 jobs

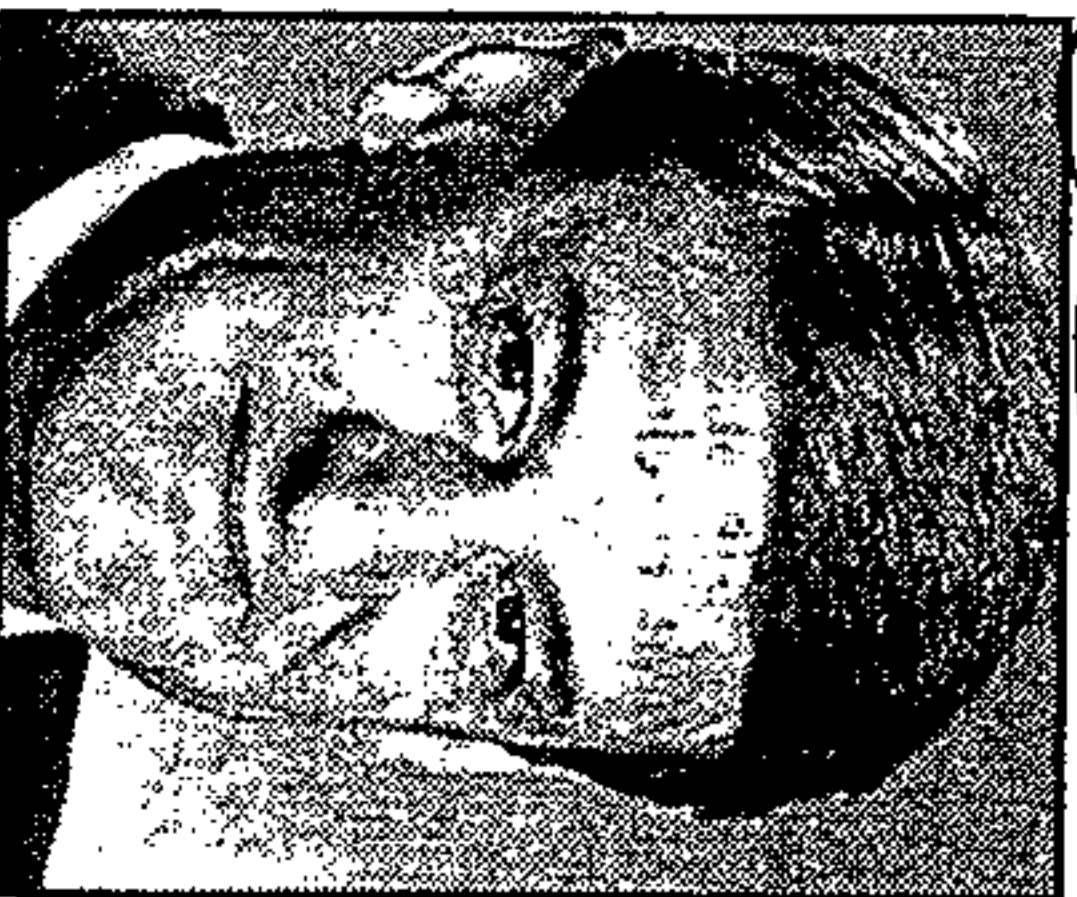
By Sven Lünsche

Further mine closures and an additional 40 000 job losses in the mining industry until the end of the year are predicted by the outgoing president of the Chamber of Mines, Clive Knobbs.

"The mine industry has been forced to reduce its labour complement by some 50 000 in the past year and it needs to be made clear that the period of misfortune which dictated those retrenchments is far from over," Mr Knobbs told the annual meeting of the chamber yesterday.

The crisis demanded from the industry that it continued implementing of stringent remedial actions, "including the suspension of operations in unprofitable areas, an improvement in productivity and mining higher grade areas."

He warned that the closure of 10 mines, which produced gold at a loss last year, "while unlikely in the immediate future"



Taking over... Naas Steenkamp, Gencor's executive director, corporate affairs, was elected president of the Chamber of Mines yesterday.

would have an alarming impact on the economy.

"Their closure would mean that, apart from the loss of a substantial amount of foreign exchange, SA's gross domestic product would contract by an estimated R3.5 billion and 88 000 jobs would be lost in mining with a further 48 000 jobs likely to be lost in service or mining-related industries."

He directed an urgent appeal to the trade unions "to perceive the need for moderation in their demands for wage and salary increases", as labour costs make up over half of total working costs.

Demand for wage increases in line with inflation have "reduced legitimacy in times of crisis."

"Right now employees need to comprehend that there is considerable value in simply having a job."

Mr Knobbs said the industry's profits were at its lowest in real terms since the 1960s as a result of the high inflation rate and the low gold price.

The pre-tax profits of the industry in 1990 amounted to R4,2 billion, down R1,2 billion on 1989 and almost R2,8 billion below the 1988 figure.

Taxation and the state's share of profits was about 42 percent lower than in 1989, but there was a six percent reduction in capital expenditure and dividends were trimmed by a substantial 32 percent.

"The virtual stagnation in the average rand price of gold over the past three years has meant

that in real terms the price of gold in May this year showed a decline of about 33 percent when compared with three years ago."

However, stringent cost control measures ensured that working costs per kilogram increased by only 10,3 percent in 1990, while the emphasis placed on higher grades saw the average grade increase to 5,05 g/ton last year from 4,99 g/t in 1989.

Mr Knobbs said, however, there were signs pointing to an upward adjustment in the dollar price of gold which would re-establish the industry's vigour and vitality.

"Jewellery demand continues to grow and there is every indication that supplies of newly mined gold would start to fall."

The chamber had also decided to relaunch the Kruggerand on the international bullion coin market following the recent lifting of EC sanctions.

Mr Knobbs is succeeded as president by Gencor executive director Naas Steenkamp. Anglo American's Bobby Godsell, and Anglovaal's Jurie Geldenhuis, were elected vice-presidents.

Star 19/6/91

40 000 are facing unemployment

More gold mines, jobs under threat

335

19/11/91

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 Knobbs said yesterday.

Knobbs 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, Knobbs 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 80 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 R3,5bn and 88 000 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



● KNOBBS

ANDREW GILL

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, Knobbs 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 5,05g/t in 1990 from 4,99g/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.

Knobbs 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 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 satis-

□ To Page 2

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factory 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".

Knobbs warned that the extremely com-

petitive 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 absence from some international markets had been rapidly and effectively exploited by competitive suppliers.

From Page 1

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 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 R4bn in 1990.

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(335)

Unemployment, not inflation SA's main

Business Editor

UNEMPLOYMENT, and not inflation, is SA's main problem now, says Laurie Mackintosh, an executive director of Tollgate Holdings.

"We shall not get foreign investment as long as there is violence and instability."

"And no one is going to start a new business with interest rates at their present levels, whatever the Reserve Bank governor thinks."

In view of this, and the fact that inflation was caused now by rising costs rather than demand, Mackintosh thought it time to bring interest rates

down from their "artificially high levels."

"We can learn to live with inflation but not with instability and violence, high unemployment and lack of foreign investment."

Mackintosh said Tollgate was still negotiating the intended acquisition of a UK distribution company which he could not name at this stage.

He said this investment would give stability to the Tollgate group, countering the element of risk in this country.

"There seems to be a lot of confidence in SA overseas, but I have a feeling there is not a great

deal of confidence among business people in this country."

Tollgate chairman Julian Askin says in the annual report that it is still conducting "a ruthless pruning of the group's loss-making and non-performing assets."

At year end the group's long-term borrowings had been almost halved from their June levels.

"Since then further improvements have been made and I hope to announce significant additional reductions of debt during this year."

"All this has been achieved without disposing of

WORRY

any assets that we would not have wished to, and against a particularly difficult economic background."

Askin says Budget Rent-a-Car has "returned to profitability and has significantly increased its market share over the last few months."

The group had exchanged its holding in Crendell Investments since the year end for 24% of Hosken Consolidated Investments.

"We believe that this investment will prove of great value to the group in the years ahead."

Askin says he expects "a year of substantial improvement in the group's fortunes".

Jobless turning to informal sector

8/10 am 28/6/91 (230) 335

ANDREW GILL

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 33 000 or 9% a year over the five-year period.

This means the formal sector can employ fewer than 100 of the 1 000 people entering the labour market each 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% 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 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.

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Surge of strikes over dismissals

Biday 2/7/91

335

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.

VERA VON LIERES

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 (22,5%); 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 1990.

This is less than the 463 864 man-days recorded in 1989 but up on the 229 614 in 1988.

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".

ACCORDING to labour consultants Andrew Levy and Associates, man-days lost through strikes during the first six months of 1991 are dramatically down to 375 000 from 1,2-million for the comparative period last year.

This encouraging trend towards greater labour stability is more likely the result of a multiple of inter-linked processes and events rather than attributable to a single cause.

Clearly the drastic economic downturn with its traumatic loss of employment particularly in the hard-pressed gold mining and manufacturing sectors has had a major impact on security of employment as the dominant trade union concern.

A staggering 5-million unemployed — at least in the formal economy — which can grow to a disastrous 8-million by the end of this decade should adequate economic growth not be achieved, has become a distinctive structural feature of the SA labour market.

This should have a serious impact on trade union leverage in the exercise of worker power to the extent that they would wish to avoid accusations of promoting the narrower interests of a trade union "elite"

Ingredients for labour peace

51/24 2/7/91

ANTON ROODT

against those of the disadvantaged masses. This could be a particularly sensitive issue at a time of having to find employment for thousands of returning exiles.

However, the incidence of strike action during the 1980s — the highly charged decade of "the struggle" — does not seem to correlate with economic performance.

Sacob in a recent document on industrial policy points out that the growth in new jobs in the crucial manufacturing sector during the past decade was negligible "... with total employment in 1989 only 2,1% higher than in 1980".

Yet it is precisely in this sector representing about 27% of formal, non-agricultural employment where, according to the National Manpower Commission's 1990 report, "the incidence of strike action is higher than in other sectors".

It could therefore be an oversimplification to interpret the current trend towards greater labour peace only in terms of the depressed

state of the economy, serious as it obviously is.

There is reason to believe that the process of inclusive consultation and negotiations towards consensus initiated by the Cosatu/Nactu/Saccola Accord on labour legislation and the subsequent tripartite Minute which included the government, has had a material impact on reducing labour conflict.

The Laboria Minute contained the following significant agreement: "The parties are committed to dialogue and discussion to resolve conflict wherever it arises. To this end they will exhaust existing avenues and explore new ones with a view to avoiding, whenever possible, the resort to coercive measures and the disruption of the workplace".

Although tenuous at times and subject to all the political and eco-

nomic stresses and strains of a society in profound transition, these words do capture a new spirit of détente between capital and labour in SA, of shifting from the politics of "the struggle" to the politics of reconstruction.

The agreements emerging from the current round of negotiations in the mining industry are in many respects trendsetters on the road towards greater maturity in our labour relations.

This change in the labour relations environment is one of the most powerful signals towards encouraging investor confidence in SA without which no truly "new" SA is possible, either politically or economically. The lifting of sanctions will by itself not achieve this end.

The Laboria Minute also requires that "The parties record their willingness to discuss in an appropriate forum the impact of labour relations issues on the economy". These talks have just begun. There

is a long and difficult road ahead towards common ground on a political economy that could address both the imperatives of economic growth and economic equity.

The success in process and substance of the Accord and the Minute is, however, an encouraging model to emulate. It needs to be multiplied in other areas of conflict and dispute if we wish to build a politically and economically viable new SA.

Constitutional negotiations and agreements are not by themselves a guarantee for democracy in our land. We need to build a network of interlinked democratic processes and institutions capable of safeguarding the principles of democracy in our society as a whole.

The Accord is most encouraging example of a negotiated transaction on the resolution of conflict. It has the potential of setting us on the road towards a social compact for a new SA capable of meeting the legitimate and attainable aspirations, political and economic, of all South Africans seeking the well-being of this land and all its people.

□ Roodt is chairman of employer federation Saccoland and of the AHI manpower committee.

LETTERS

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 (22,5%); 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. ~~334A~~ 33S

"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

Many jobless at conference

Political Correspondent

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 2 354 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 185 below 25 years of age.

Of the 1 747 delegates who noted their sex on their registration forms, 17,2% 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.

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Unemployment claims rise steeply

PRETORIA — Claims for Unemployment Insurance Fund benefits have increased by 50% since last July to between 58 000 and 61 000 a month, latest statistics show.

Unemployment Insurance Commissioner Jack Scheepers warned yesterday that payments were equalling 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

31/12/91
9/1/91
GERALD REILLY

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.

(335)
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 (335) workers retrenched

CT 10/7/91

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 SFW 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 SFW workforce had been retrenched and were given "generous" retrenchment packages.

Course aims to help the job seeker

CT 11/7/91

128

335

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.

Synchronet — 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 posi-

tioning, 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) 762-1198.



THE LONG WAIT: Hundreds of unemployed people had to queue for hours as they waited for unemployment insurance cheques.

So dole-ful!

335
ARG 12/7/91

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.

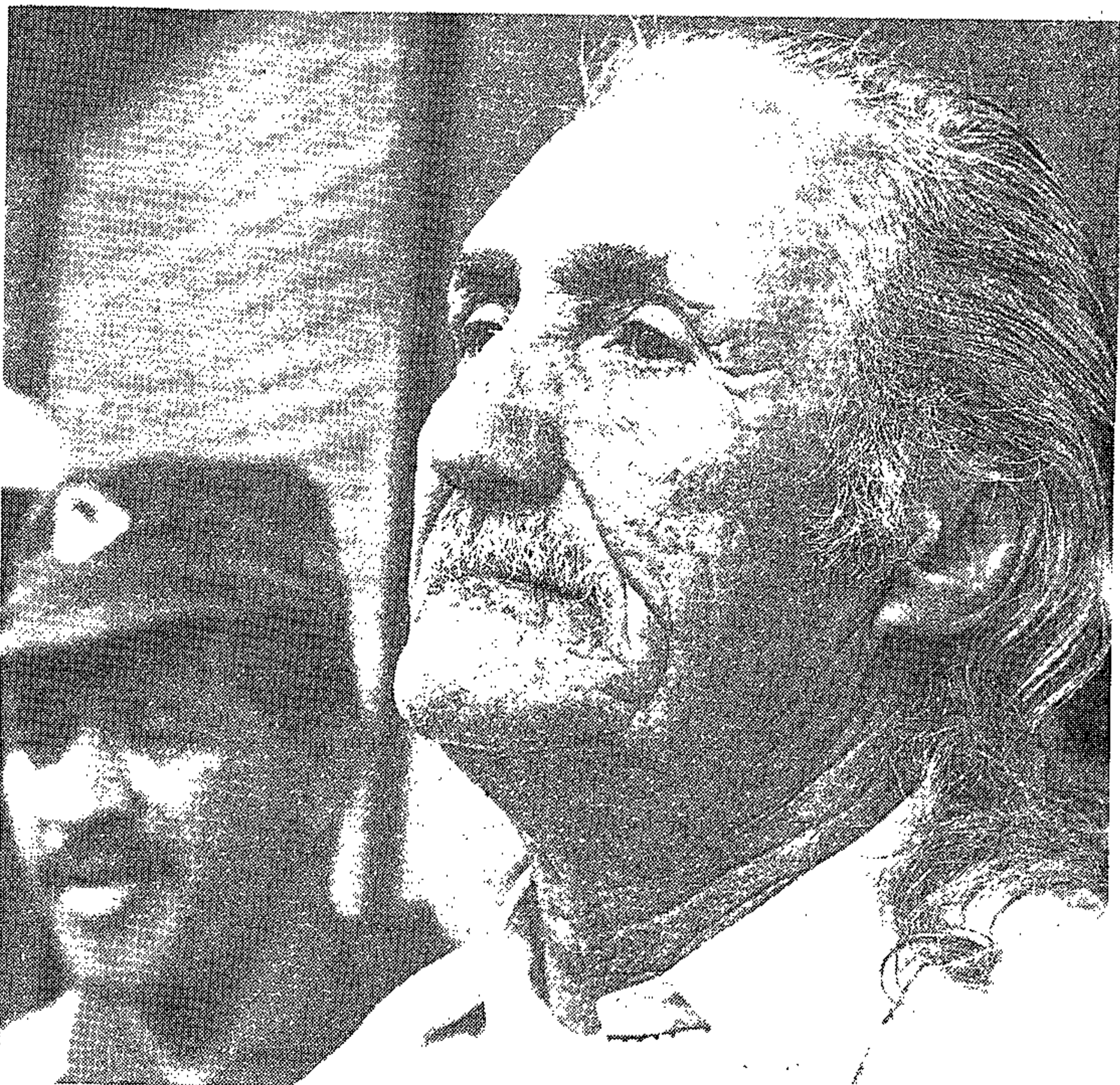
"We all have families to support but we have to borrow money to survive before we get the first cheque. And then we have to pay back our debts and we sit with no money again."

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 queueing 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.

Picture: OBED ZILWA, The Argus.

SFW retrenchments 335

■ 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. W (Ment 12/7) - 18/7/91

Reports from Sapa

56% Biday 15/7/91 335 221 241 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 Jackson 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

DARIDUS SANAI

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 properly in a factory and therefore cannot find jobs," he said.

The EEC programme aims to upgrade school facilities, provide training, counselling 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.

Farmworkers victims under law report

Biday 15/7/91 SUSAN RUSSELL

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 relationship between farmers and labourers operated along the lines of a medieval master-serf 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.

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 report, by the University of Witwatersrand's Centre for Policy 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 Azapo.

The survey, of 905 township residents across SA, showed 80% 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

JONATHON REES

of 60% of all township residents nationally in a general election.

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 elsewhere, 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.

Bookmakers have no official status

New guides will help students, job seekers

So useful 17/7/91

By PHANGSILE MTSALI

FOR years pupils and those involved in education have been calling out for information to be available for matriculants and job seekers to enable them to make informed career decisions.

Well the long-overdue guides have finally hit the market.

Last month two comprehensive books on post-matric institutions and what they offer, different careers and what they require, as well as how and where you can get funds to pursue your chosen career.

The first book is the *Rainbow - your guide to a bright future* which is avail-

able free of charge to big companies with many employment opportunities, career centre, independent educational bodies and "other open non-racial organisations who focus on students in disadvantaged communities".

The book offers information ranging from career planning, subject choice, goal setting, self-motivation to job applications and tips on how to behave in a job interview.

The book was sponsored by a num-

ber of conglomerates and its aim is to motivate pupils to complete their schooling, encourage them to face their jobs and careers responsibly and to advise on alternative options if unemployment is not readily available.

The second book is compiled by a former teacher, Abel Phungwayo.

True to its title - *Funding your Education* - the 137-page book gives up to date information on available bursaries and scholarships.

For instance, did know that various town and city councils offer bursaries to

some of their bright residents who are have financial needs.

The book gives addresses for bursary givers, terms they attach, amounts they offer and the period they stipulate for each bursary.

Phungwayo went as far as getting names and addresses of all teaching hospitals for those aspiring to be nurses.

Funding for Education is an easy-to-use reference guide that no student should be without.

This product of Ashanti Publishing costs R18 a copy.

Employment fears in building sector

335
Biday 17/7/91
Reports by
PETER GALLI

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 1992," 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 com-

mon 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'

335

SHARON SOROUR
Labour Reporter **ARG 17/7/91**

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 SOROUR
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

South 1817-2417191

By Thoraya Pandey

WORKERS at a Cape Town yacht company negotiated their way out of retrenchment, but may still face a 40 percent cut in wages.

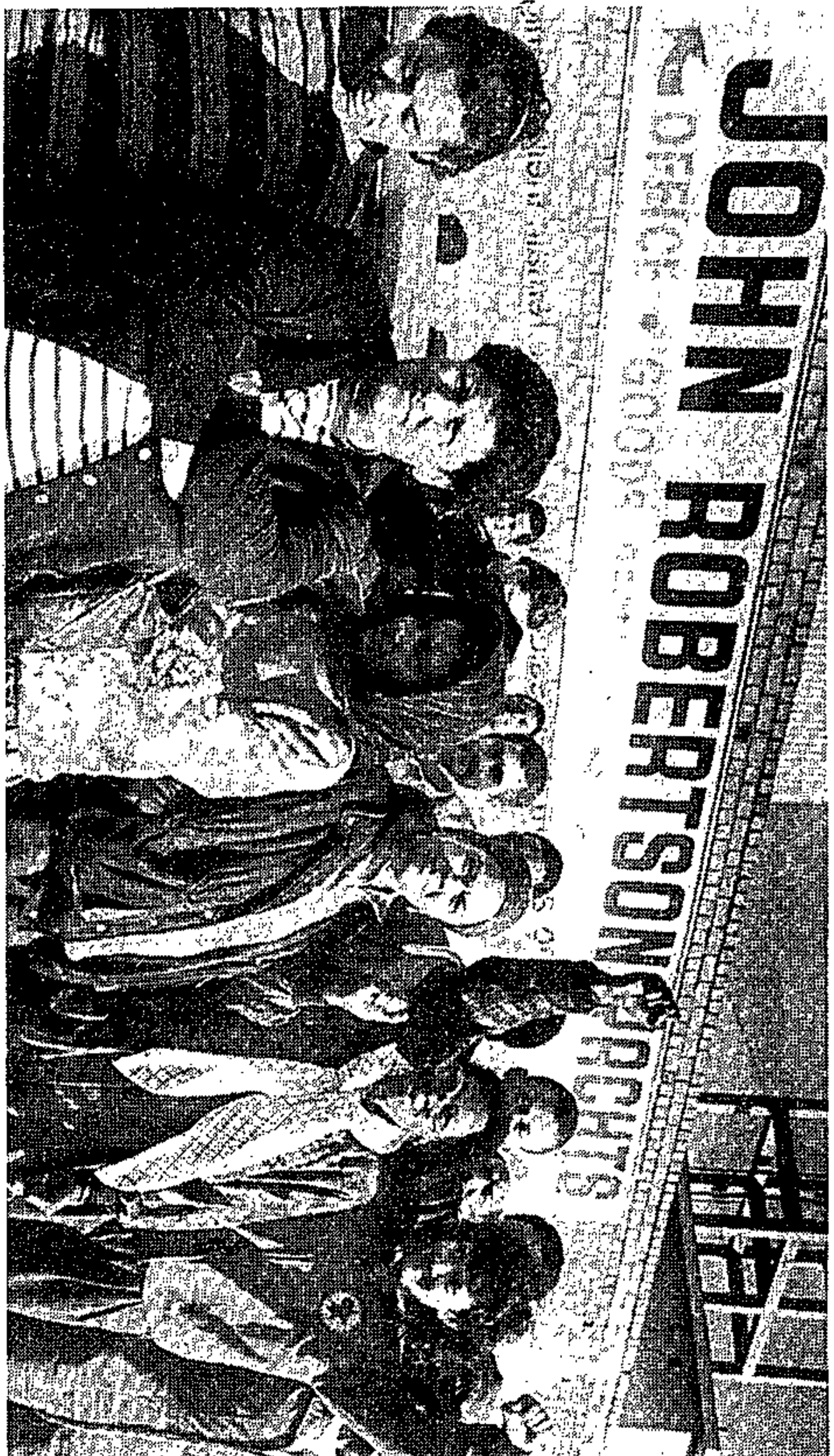
This follows workers at John Robertson Yachts being informed on Monday by local manager Mr Bob Conbeer that the factory would be closed as it was running at a financial loss.

Representatives of the 103 workers held talks with management for two days in a desperate bid to save their jobs.

Company director Mr Louis Louberg agreed to keep the factory open if workers agreed to a 40 percent cut in wages.

Workers will also be paid their full wages for the week and can return without fear of victimisation. Workers agreed to return to work on Wednesday, but will continue negotiations concerning the cut in wages. Conbeer said the factory had been running at a loss "for some time" and that there had been indications of a possible closure.

He said, however, the future of the Epping factory would be subject to negotiations with the workers and their union.



WAGE CUT: Workers milling around outside the yacht factory

PICTURE: YUNUS MOHAMED

Give us work, beg Alex residents

Star 20/1/91

(335)

AT midday on Monday this week — a time when one would expect most people to be at the office, factory or other place of employment — Alexandra township's main taxi area was alive with people.

But not everyone was there to catch taxis.

In fact, many of the people hanging about wouldn't be able to afford a taxi fare even if they had a destination: these people are unemployed and hungry, and when they do earn a few cents, the money is spent on food, not transport.

One of the many unemployed "hang-abouters", a 43-year-old man, said: "I feel very bad because I have not had work since February. I have been living with relatives and eating their food. They have jobs and they feed me once a day, but today I have not eaten.

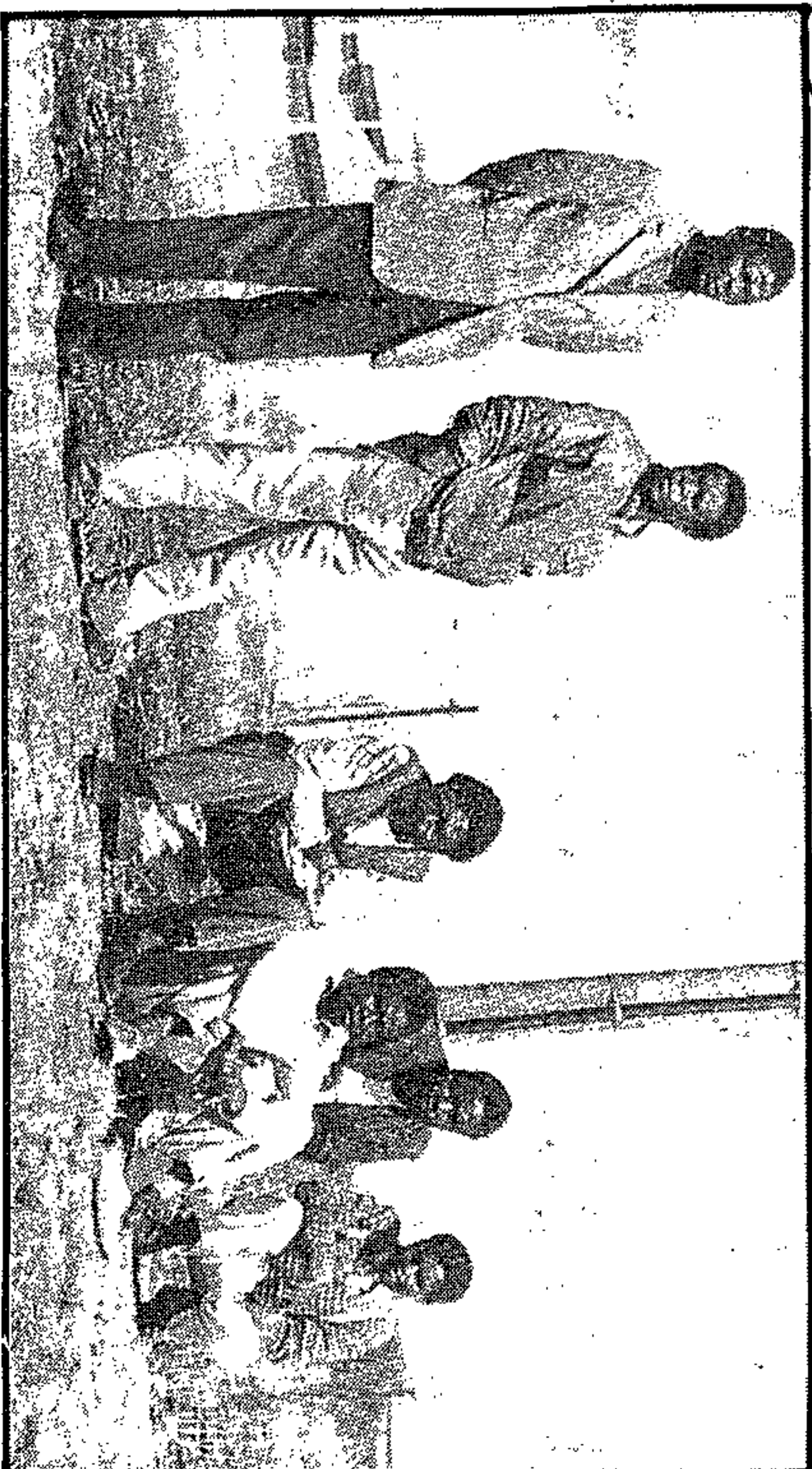
No work

"I cannot find work. I cannot send money to my family. If I don't find something soon I will have to go home to sell some of my cattle. That will buy food for a while, but after that, how do I feed my wife and children?"

This man's plight is not unusual in Alexandra township, which is, ironically, situated in Sandton, one of the most affluent areas in the country.

A survey just conducted by the Education for Employment Campaign (EEC) found that about 55 percent of Alexandra's adult population was unemployed. With the township's population estimated at about 320 000, that means many thousands of people are without jobs.

Some of the unemployed live off the charity of working friends or relatives. A few manage to eke out a living by seeking temporary or casual employment.



UNEMPLOYED: A group of men from Alex sit beside a nearby main road every day, including public holidays, in the hope they may be picked up for "piece" work or manual labour.

One, a 24-year-old man, earns between R10 and R20 some days by washing taxis. "It is not a steady living," he said, "but it puts some food on the table."

Another "hang-about", a 20-year-old member of the Zionist Christian Church (ZCC), said he had wanted to complete his high school studies but was forced, through family financial difficulties, to leave school after passing Std 8.

"My school studies are meaningless because they have not prepared me for employment. What job can I do with Std 8 and very little English? Last year I did my driver's licence so I could work as a taxi driver. But I don't get hired every day."

Saturday Star then approached a group of men sitting on the side of a nearby main road, patiently waiting to be "picked-up" and hired as "piece" workers or manual labourers for the day.

"I've been unemployed since September last year," said a 32-year-old father of three, who has

passed Std 6.

"I sit here all day every day, even at Christmas, hoping to find work. I'm lucky if I can get something one day a week. I am paid between R10 and R15 a day. I use the money for food, only for food. When I find a job I buy a big bag of mealie meal to feed my family. Sometimes people give us rotten vegetables."

"Jackson", another member of the group of men who wait for a sympathetic "Lekgowa" (white person) to stop and offer a "piece" job, said he had been unemployed for two years.

His mother, a pensioner, and his two nephews and two sisters in Mafikeng were dependent on him for survival, he said.

EEC director Dave Jackson said some unemployed Alexandra residents admitted they had been forced to resort to crime to feed their families and themselves (see accompanying report). He said the recent EEC survey also found that approximately 76 000 (or four-fifths) of Alexandra children of school-

going age were not going to school, with many choosing instead to "loiter" or become involved in criminal and gang activities.

Other youngsters, some with unemployed parents, used their free time and school holidays as an opportunity to seek work.

Three youngsters approached by Saturday Star this week said they hung around the township's main taxi area to look for "piece" jobs.

Mr Jackson said thousands of people had been drawn to Alexandra township in the hope they might find jobs in nearby industrial and residential areas.

He said the township's population had grown enormously during the past six years, climbing from about 85 000 in 1986 to around 320 000 in 1991.

"The township, which measures a little over a square mile, was a mess in 1986 with 85 000 residents and a lack of facilities. Today it is an overcrowded disaster, with the potential for an enormous tragedy if a fire or se-

rious contagious disease breaks out."

Mr Jackson said it was possible that as many as two-thirds of the township's residents (more than 210 000 people) were living in shacks in backyards and squatter developments.

The misery and poverty of the majority of Alexandra residents is aggravated by the lack of basic facilities such as running water, toilets and regular refuse removal.

Mounds of stinking rubbish are evident everywhere.

Townships animals, as hungry as their unemployed owners, play a small role in removing some of the litter: dogs, goats and cows munch on the more appetising contents while the rat population, said to be "mas-sive", is less selective.

Stench

The overwhelming stench of stagnant water and sewage invades the visitor's nostrils on arrival, but after a while the smell isn't so bad any more. Perhaps it is just because the visitor doesn't have to live with it.

● Mr Jackson said the EEC, which is funded by the Independent Development Trust, local industries and foreign interests, aimed to provide practical training for township residents.

It also aimed to provide counselling and employment services for the unemployed, management training for community leaders, and to upgrade township school facilities.

He said there was growing concern about Alexandra, with promises of financial and other support from various sources.

"Alex is a tough but exciting place," he said. "There is a strong body of stable people and I believe the township can, with a great deal of financial assistance and other support, face a brighter future."



RUBBISH REMOVERS: The misery and poverty of Alexandra, situated in the heart of one of South Africa's most affluent areas, is aggravated by mounds of rubbish. Cattle and other animals, including the township's very large rat population, play a small role in removing the more appetising litter.

Rising labour costs alarming — Stals

Bloway 24/7/91 GRETA STEYN (335)

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 16,3% in 1989 and 1990. The country's "major problem" was reflected in these statistics. Bloway 24/7/91

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 25/7/91-31/7/91

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 (Wecuwu). ~~11/9/91~~

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. 335

Wecuwu 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.

Star 26/7/91

Reserve Bank retrenching

By Maggie Rowley (335)

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.

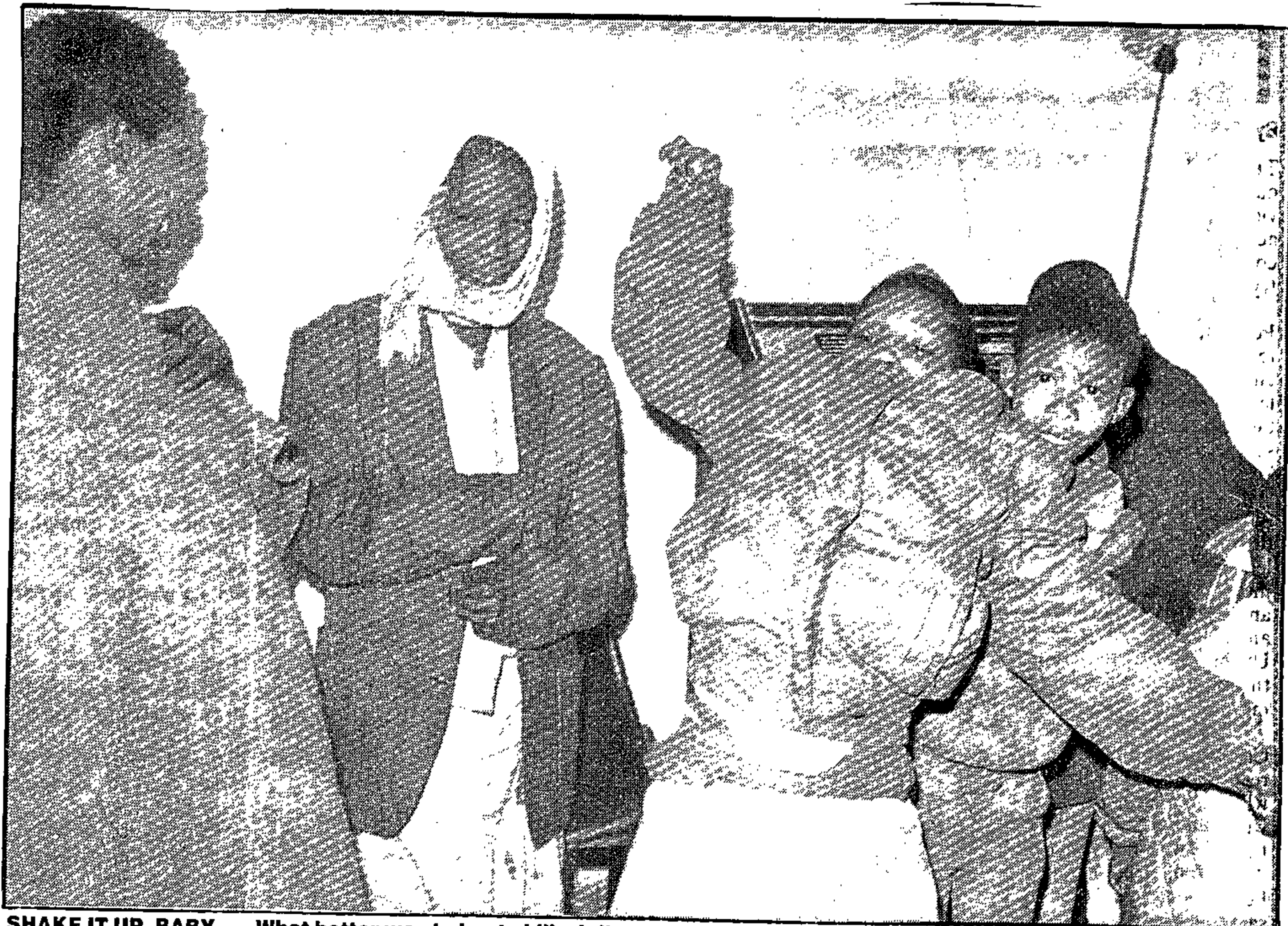
The move is the result of, among other things, the privatisation and commercialisation of government enterprises, the centralisation of government accounts and technological developments.

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.



SHAKE IT UP, BABY . . . What better way to beat chilly Jo'burg winds than to work up a sweat with a solid jive? These twilight kids have found the answer to the bitter cold — heavy clothing and the jitterbug. ■ Pic: BOY GEORGE MASHININI

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

Rents to rocket after money crisis?

was likely to increase by 10 per cent 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:

- The council takes all possible measures to recover arrear accounts of defaulters;
- That council employees negotiate on the possibility of voluntary retrenchment; and
- That the council negotiate with the RSC to defer certain projects until funds are available.

C/pres 28/7/91

335

CT 30/1/91

Tourism growth holds prospect of job creation

335

FOREIGN tourist spending of R92 m and domestic tourist spending of R647 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 *Siyatyele/Siyazungeza* 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.



**Nation
Building
The Power
is in Your
Hands**



Grace Ntsele - saviour to the hungry.

'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 (64), 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



Ntsele with some of the people she helps to feed.

pap," said Ntsele.

"This 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, school-children 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, coordinate 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 every one 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.

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Companies taken to task over 'criminal' retrenchments

By Des Parker *Star* 30/7/91

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 — 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.

Rise in minibus taxi commuters

GERALD REILLY

PRETORIA — The minibuses that industry's share of commuter traffic rose sharply at the expense of other modes of transport between 1987 and last year, a Department of Transport study has found.

The survey, by the department's Directorate of Transport Systems Planning, established that minibuses' share of the total commuter market increased from 29% in 1987 to 44% in 1990 — an increase of 51%.

The most dramatic increases were in the East Rand (274%), East London (248%), Cape Town (38,2%) and Port Elizabeth (31%). Train transport declined from 21% of the total in 1987 to 16%.

The survey shows the shift towards minibuses was partly due to an outbreak of attacks on commuters shortly before the latest survey was conducted in October last year.

The 24% loss in train traffic was most pronounced in Durban (67%), Port Elizabeth (40%), Cape Town (37%) and the East Rand (27%).

At the same time state-subsidised passengers — travelling by train and bus — last year declined from 50% of all commuters to 40%.

The survey also shows the most transport important modes — train, bus and taxis — slightly increased their share of the market.

The survey said the main sources of dissatisfaction with public transport last year were growing crime on trains, perceived high bus fares and the frequency of taxi accidents.

Stayaway could claim 200 jobs

8/1 Day

3/17/91

WILSON ZWANE

AT LEAST 200 workers living in the East Rand township of Duduza could be fired for heeding a stayaway called by a local civic organisation last week, Nigel Chamber of Business chairman Bernard Fitton said yesterday.

Fitton said representatives of 20 businesses held an emergency meeting yesterday at which they discussed a call in a letter sent by the Duduza Civic Association to the chamber for "leniency" on workers who heeded the stayaway.

There were indications that companies would abide by their industrial procedures.

Warning

"All but one of the companies represented at the meeting indicated their companies would give due warnings according to their industrial procedures," Fitton said.

"In cases where employees had been warned three times for the same offence, they will be fired."

One company not affiliated to the chamber said it would stick to its "dismissal without warning" policy.

"That means about 200 people could be fired," Fitton said. He declined to name the company.

He said there were no plans as yet to hold discussions with the civic as-

sociation.

"But in the letter in which the civic asked employers to be lenient on the workers, it stated it would, in future, talk to employers first before engaging in similar actions," he said.

The association could not be reached for comment yesterday.

The stayaway was called in retaliation against Duduza town council's decision to impound the property of rent-defaulter. The action began on Monday last week and ended on Friday after the town council returned the property of the four residents.

□ Meanwhile, THEO RAWANA reports that Daveyton residents, threatened by a power cut over a R5m rent and services debt, will stage a half-day stayaway today.

Daveyton interim committee chairman James Ngubo said Eskom, which was owed R2m by the township of 250 000 people, had written him a letter threatening to cut electricity if tomorrow's talks between the council, the interim committee, the Daveyton town council and the Transvaal Provincial Administration did not yield a solution.

He said residents were paying an agreed R70 monthly flat rate, but the council was not paying Eskom.



Ria Oomen Ruigten, the Netherlands representative in the European People's Party delegation, with Foreign Minister Pik Botha after their meeting yesterday. Picture: ROBERT BOTHA

European politicians' visit 'important'

8/1 Day

3/17/91

PRETORIA — Government considered the visit to SA by the European People's Party delegation important, Foreign Affairs Minister Pik Botha said at a news conference yesterday after talks with the delegates.

The delegation, which also met President F W de Klerk earlier yesterday, was here to observe, discuss and to meet members of government, he said.

The EPP represents a compilation of European Christian Democratic parties.

Botha said he had told them where government stood in the negotiation process.

Delegation spokesman Ria Oomen Ruigten said she appreciated the "open way" in which Botha had discussed the problems which government was trying to resolve.

She said anything which happened which threatened to destroy the process of negotiation was a source of concern to the EPP.

She said Botha had assured them government would continue to fight apartheid and wanted a real democratic SA. — Sapa.

UNEMPLOYMENT — (199)

AUG. — DEC.

Bigger role sought for small business to cut unemployment

THE government has been urged to spell out a bold new action programme to unleash the full potential of the informal and mini-business sector to act as the main spearhead in a drive to solve the unemployment crisis.

The SA Chamber of Business disclosed that talks had been opened with Minister of Trade and Industry Dr Org Marais on ways to create a far bigger role for smaller businesses — especially budding black entrepreneurs — in the economic mainstream.

Sacob deputy director-general Ron Haywood sounded warning that South Africa was falling way behind world-wide trends to let smaller business units release their combined economic clout to shorten unemployment queues.

He told the Edenvale Chamber of Business that brand new initiatives were crucial to give new impetus to economic expansion.

He said more discussions were planned with the Department of Trade and Industry to seek greater government involvement and support for

mini-business ventures that had long been harrassed in the apartheid era by out-moded rules and bureaucracy.

"Action has become urgent if we hope to cure chronic unemployment problems," he said.

Solutions were vital on how to remove obstacles that still hampered mini-business operators — from shortages of capital and premises to regulations and trade-licence red tape.

MICHAEL CHESTER

Special forum

Sacob had formed a special small business forum from inside its ranks to tackle the issue.

Mr Haywood said the potential of budding new entrepreneurs to cut back on unemployment queues had been proved by the successes scored by the Small Business Development Corporation.

Since it was launched 10 years ago, the SBD, on a modest loan budget of little more than R1 billion, had helped to create more than 30 800 new small business ventures and in the process created no fewer than

280 000 new job opportunities — from street hawkers to mini engineering operations.

Over the identical time span, the number of jobs in larger companies in the formal sector had actually shrunk.

South Africa, he said, needed to heed lessons spelled out by several overseas countries that had used small business to give fresh dynamism to their economies.

All of the economic miracles achieved in the Far East had relied heavily on the encouragement of the latent skills of vast small business sectors and even home industries.

● No less than 50 percent of the industrial clout of Japan was in the hands of small firms.

● Taiwan, with nine in every 10 manufacturing companies classified as small, had started from behind South Africa a few years ago but had shot ahead to build a balance of payments surplus of a formidable R200 billion by last year.

● In Britain, no fewer than 96 percent of all companies had labour forces of less than 20 workers — but accounted for no less than 36 percent of total employment.

Counts in the UK showed that the number of small companies in operation grew by 373 000 during the 1980s — and accounted for more than one million new jobs that were created.

Self employed

The special assistance programmes laid out by the UK government had paid off, said Mr Haywood. In Britain today, as many as one in every three workers were self-employed, compared with one in 14 only a few years ago.

"All around the world, there is growing proof that small firms are an essential part of healthier economies," he said. "In many instances, they also provide the industrial leaders of the future by challenging the competitive edge of larger market leaders with their entrepreneurial skills."

"In South Africa, we need even more strong and large corporations that can compete in the global arena. Alongside them, we also need more and more smaller manufacturers to act as sub-contractors and make the economic wheels turn faster."

'Entrepreneurs top priority'

New studies estimate current unemployment at between four and five million. The Small Business Development Corporation believes that the problem will not be cracked until South Africa learns how to produce more entrepreneurs. And that means radical new thinking about the shape of the education system. MICHAEL CHESTER reports.

SOUTH Africa can blame many of its chronic unemployment problems on its dismal failure to keep pace with world trends in the launch of more budding new entrepreneurs into the economic mainstream, according to new studies by the Small Business Development Corporation.

The studies show that in the United States 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 one-third of all new businesses launched in the US were under the command of fledgling 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 behind at five 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 1 000 school-leavers pouring into the labour market.

That leaves 875 in every 1 000 of them with no option but self-employment or the informal sector.

What worries Dr Vosloo is whether the majority of them have been prepared to cope with the blunt realities.

He is convinced that only radical changes in the entire education system can provide solutions.

"It would be tragic if we had to admit that billions of rands of taxpayers' money is spent on educational products which cannot be used by society," he says.

"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 is convinced, will only start to put more muscle into economic growth when the classrooms begin to equip pupils with the knowledge and skills that provide the foundation of such careers as artisans, production managers, data-processors, bookkeepers, nurses, scientists, engineers and technicians. "Our education system will

have to pay far more attention to the development of entrepreneurship at school level," he maintains.

Dr Vosloo, whose own programme at the SBDC has already ploughed more than R1 billion into loans to encourage new small businesses that have created a staggering 280 000 new job opportunities since it was started 10 years ago, proposes a 10-point plan to tackle the dilemma:

1. More effective and continuous communication between educationalists and the business world to spell out in unambiguous language what society outside schools and academia really expects from the education system.
2. Moves to make classroom curricula more relevant and pertinent to the actual needs of society.
3. Insistence by taxpayers on more value for the money spent on education — on guard against wastage of funds on a bloated education bureaucracy.
4. Preference to technical training.
5. Closer aim on the transfer of practical numerical and writing skills — with recognition of the valuable role of business simulation games.
6. Gearing the education curricula and didactic methodology towards the stimulation of attitudes such as individualism, a sense of independence, achievement, optimism and competitiveness — aimed at conscientiousness, responsibility, adaptability, staying power and creativity.
7. Focus on career information programmes tailored to alert young people to the opportunities of self-employment and business entrepreneurship as career choices.
8. Encouragement of schools and universities to take part in practical field studies and business plan competitions.
9. Better evaluation of the role of part-time study, work programmes and post-experience training programmes.
10. Priority status for informal and non-formal skills training for adults in condensed courses worked out on a modular basis.

"It is clear that education is the key to a better future," says Dr Vosloo. "But then it must be relevant education that conveys the knowledge and skills needed by our society."

"A society which cultivates a strong entrepreneurial culture is bound to set off on a road to progress and economic growth."

Total training for all democrats

South 1/8-7/8/91

THE INSTITUTE has begun conducting workshops for students, teachers and parents with the objective of making them aware that they are instruments of democratic change. If we are serious about democracy in South Africa, we must empower pupils and teachers, ensuring their access to knowledge and information.

The Institute's Education for Democracy programme is aimed at promoting democratic ideals, training in democratic habits and strengthening understanding of democracy—in the schools and the community.

If South Africa is to have a democratic society, then schools must begin to inculcate democratic values and culture. Democratic schools teach children to question, to think, to consider all sides of a question and to reach their own conclusions.

The IMPD has also launched a Political Leadership programme for people who will one day run for office in local and state government.

The Institute for Multi-party Democracy (IMPD) has announced plans to expand beyond the PWV area. In September, it will launch regional offices in Natal, Southern Transvaal and the Western Cape. By the end of the year, it will have offices in the Northern Transvaal, the Eastern Cape and the Orange Free State. This is not bad, considering that the Institute was launched less than six months ago. But what else has the Institute to offer? Its Director of Programmes, **DR SUSHI CHONCO**, lists an ambitious programme:

The programme offers skills and training in democratic leadership, election strategies and governing.

This type of programme—which offers training to people of all political affiliations—must be tackled as a matter of urgency, to avoid the ad-

ministrative disasters that have become characteristic of various African governments.

The IMPD, launched at a function attended by more than 100 politicians and several political parties from across the spectrum, was formed to



develop a democratic culture in South Africa. Human beings have an innate yearning for democracy, but they are not necessarily born with an understanding of it. Even in countries with a long tradition of democracy, no one can assume that tomorrow's citizens

will spontaneously appreciate what their predecessors did to achieve that tradition.

People must not just desire democracy; they have to be able to achieve it. The Institute's task is to articulate ideals aimed at that empowerment.

The Institute will work with people at the grassroots level to help them learn and practise democracy—because it is the people themselves who will and must defend democracy.

At the same time, the Institute will also work with political parties—while insisting on its independence and non-partisanship—because in essence multi-partyism implies the existence of strong, well organised parties.

The IMPD has also piloted the Grassroots Leadership programme and several workshops designed for particular interest groups.

We believe that the establishment of a democratic way of life for all depends on an educated people who understand what it is and how to improve it.

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South

South, the Cape's only independent newspaper, is looking for a senior journalist to fill the post of News Editor/Deputy Editor from September 1991.

WELLINGTON IN DECLINE

Townsfolk join forces against

job losses

Soul
118-718/91

335

As Wellington faces an economic slide, workers, residents and the municipality are uniting to rise above it. **THORAYA PANDY** reports:

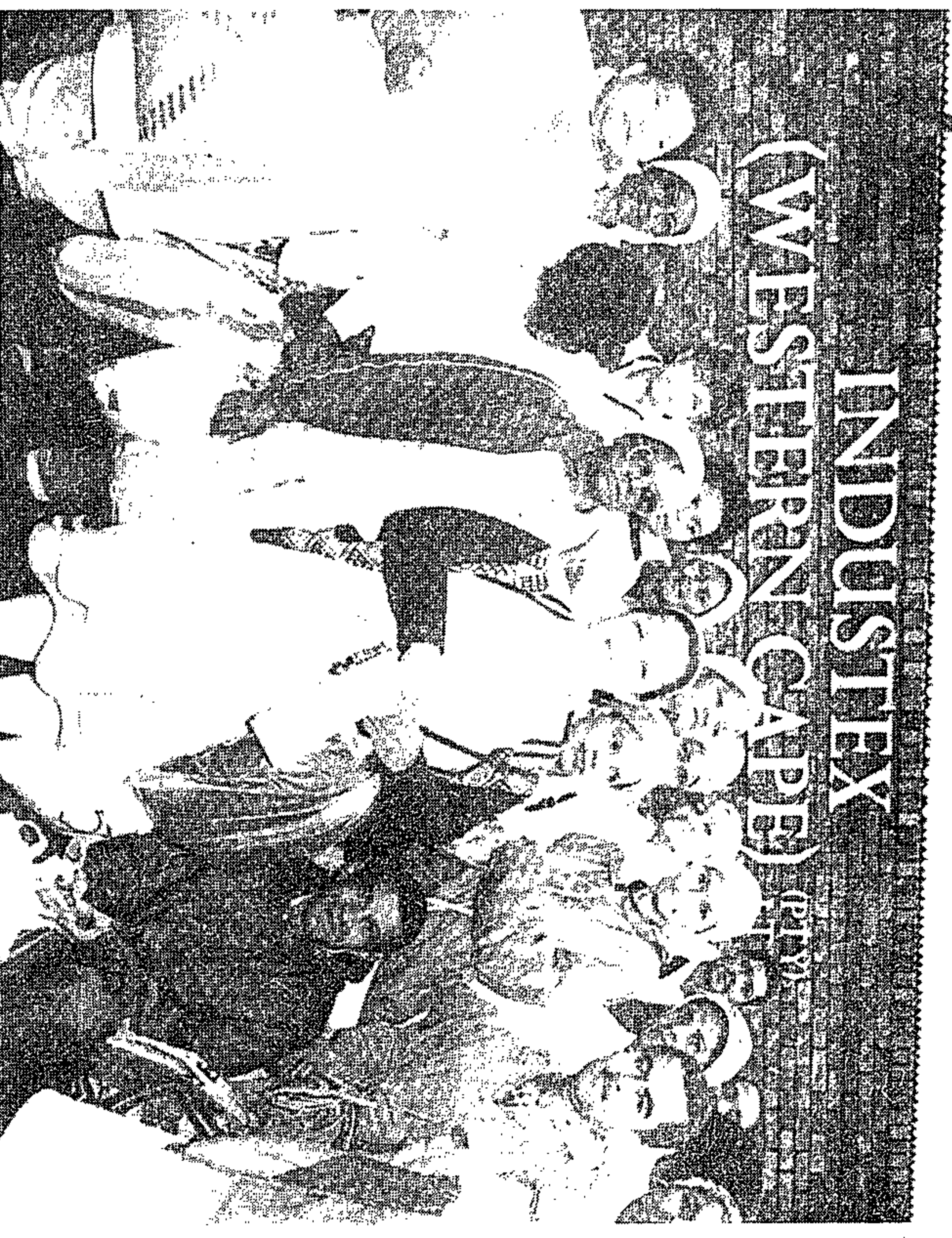
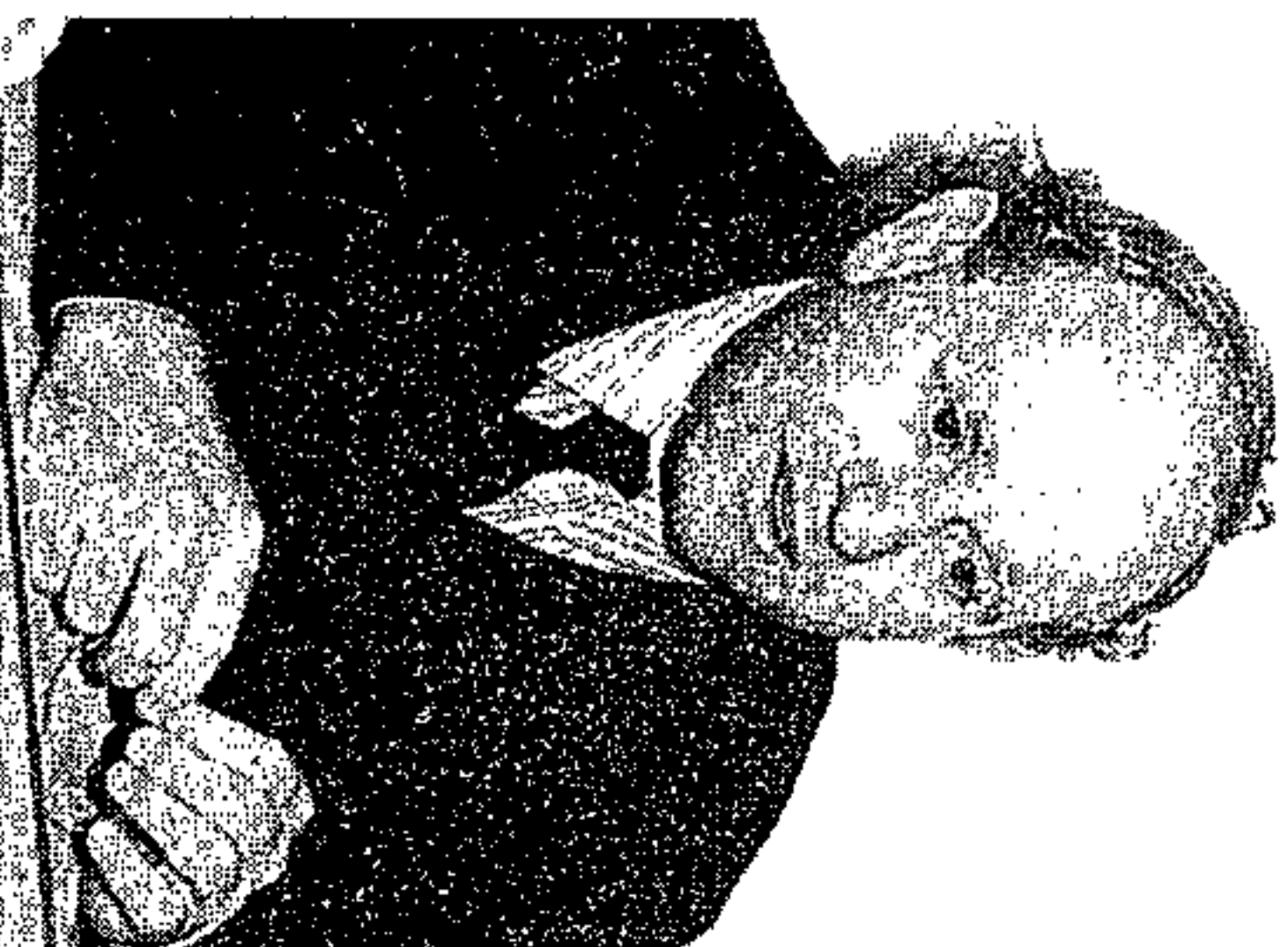
THE CLOSELY knit community of the 300-year-old Boland town of Wellington is facing economic ruin as another factory announced its closure last week. But as 230 workers at Western Industex, a towelling firm, collected their last pay cheques on Friday, their plight forged an unusual unity among trade unions, civics and the white municipality.

A joint bid was made by the South African Clothing and Textile Workers' Union (Sactwu), the local civics and the municipality to prevent the closure of the factory.

Although it failed, the community seems to have developed a unity of purpose in reversing Wellington's economic woes.

Last month, 70 workers at the Diekmans piano factory in the town were also retrenched.

According to the branch secretary,



RETRENCHED: Some of the 230 workers to be retrenched by Industex
LEFT: Peter Ingwersen, the mayor of Wellington

PICS: YUNUS MOHAMED

and will also lessen the demand for housing," Carstens said. The municipality is also suffering

O. MACWILL, MR. SILLIER, MACHOLO, and the chances of the retrenched workers finding employment in the area were slim because of the high unemployment rate.

He said the union, which has a strong presence in the Boland, has been organising at the factory for 10 years.

The union was able, however, "to strike a good deal for the workers with management" regarding retrenchment.

"We secured the jobs of a number of workers initially affected by the closure," Macholo said.

"Workers received a reasonable retrenchment package and with the company moving to Port Elizabeth and Uitenhage, workers at Wellington would be given preference for jobs there," Macholo said.

According to the managing director of Western Industex, Mr Francois de Sillier, the company was running at an annual loss of R3 million.

"The closure of the factory was unavoidable in the light of the economic situation in the towelling industry," De Sillier said.

"Places like Zimbabwe and China are importing textiles at much cheaper rates, resulting in a drop in production," he added.

De Sillier confirmed that the retrenched workers would be given preference for jobs at the company's other plants.

Interviews with workers revealed, however, that they were reluctant to move because of "deep roots" in the area. Some of them have been living in Wellington for more than 50 years.

The town, surrounded by large wine estates, has a population of 25 000.

Western Industex is the town's fifth major factory to shut down in four years. And there is no sign of any future investment.

Already, 55 percent of Wellington's working people are forced to work outside the area.

SOUTH's investigation revealed a grim prospect for the hundreds of

Wellington, which forces us to seek work elsewhere and we have to spend a fortune in travelling expenses and long hours away from home'

families whose sole breadwinners were retrenched.

"Some of us have already started to look for work but things do not look so good," said a distraught worker facing retrenchment, Mr Gilbert Williams.

"There's no work in Wellington which forces us to seek work elsewhere and we have to spend a fortune in travelling expenses and long hours away from home," Williams said.

"I don't know what I will do if I can't find work. I just built a house and face the possibility of losing it," a worried Williams said.

Many of his friends are in a similar position.

THE MAYOR of Wellington, Mr Peter Ingwersen, said he was concerned about the closures and the loss of jobs.

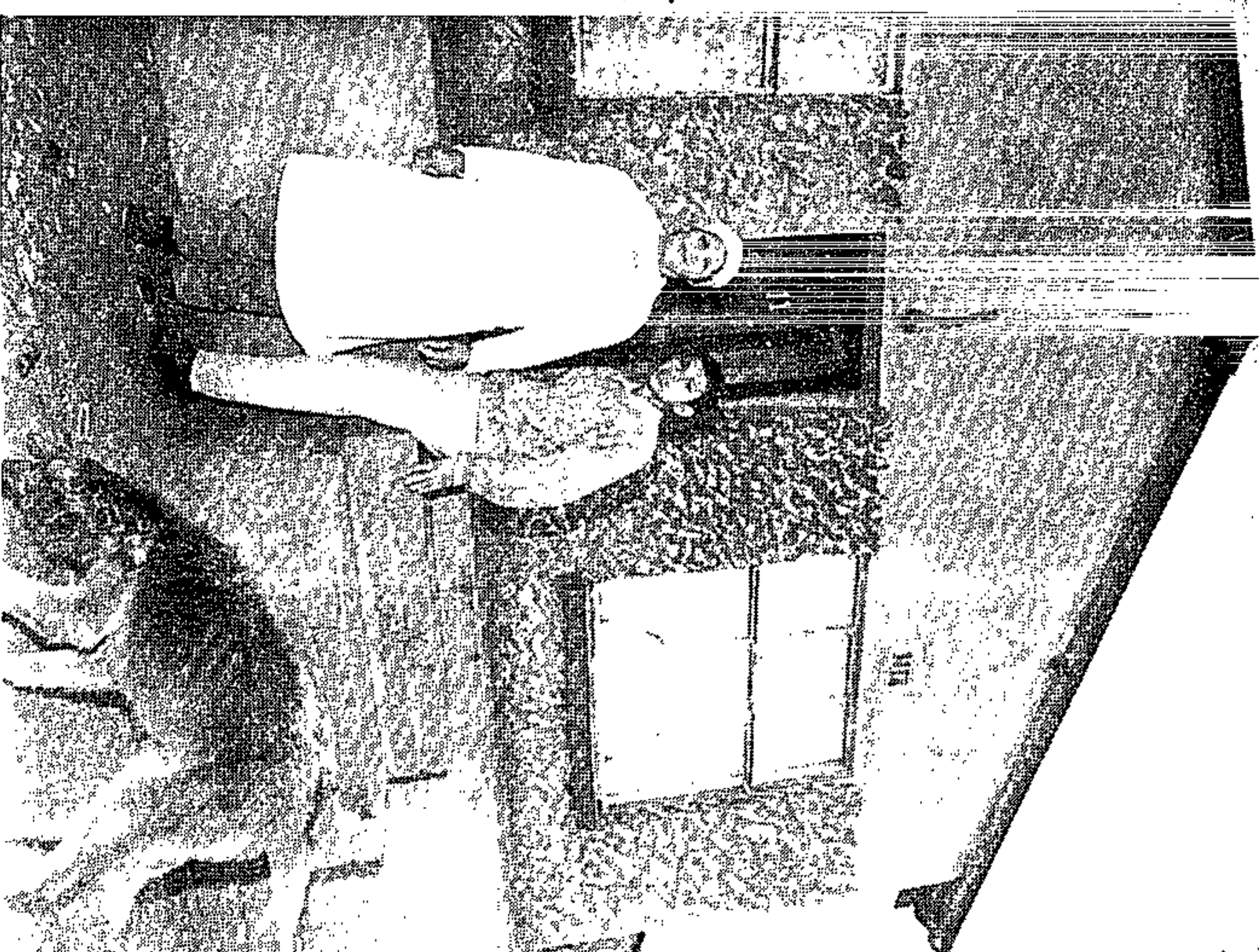
Ingwersen, a former Western Province rugby player, was elected mayor last September.

He expresses genuine concern for the people and the town as a whole.

"The town council met with Western Industex in a bid to keep them in the area but unfortunately we failed in our attempt," he said.

"This is a great community, we have a superior labour force and the people are excellent.

"The main problem we — and most



DISTRAUGHT: A distraught Mrs Sally Williams and her son, Giltroy, outside their unfinished house in Wellington's self-help scheme which they will have to leave if her husband, Mr Gilbert Williams, cannot find work after being retrenched by Industex

other rural areas — are experiencing the lack of decentralisation facilities needed to attract investment", Ingwersen said.

Wellington was a stable and established community and people would not easily move out, he said.

"Investors can only benefit from such a community", Ingwersen said.

He was still "optimistic" about the future. "We're moving in the right

direction but people should be given the opportunities for them to make a success of their lives," he said.

The Wellington municipality is exploring several ventures to provide jobs.

The town clerk, Mr JH Carstens, said it had applied to the state for R7 million to build houses.

"This will result in employment for 150 people over a period of three years

initiatives.

"We've received a great deal of interest from people who are ready and prepared to put a lot of effort into this project", Carstens said.

"Employment will be created and, with the interest shown by people, this venture will be successful."

The Wellington Civic Association, which has won several demands in negotiations with the municipality, has given its support to the mayor.

"We're much more advanced than most areas in the Boland regarding negotiations with town councils," said the Reverend Frederick William Jacobs, chairperson of the civic association.

WE ALWAYS had strong support from the community and the town council realised this when we hosted a march and about 10 000 people participated," Jacobs said.

"A number of demands, related to improving services in the 'coloured' community, negotiated with the council, had positive results," another member of the association, Mr Henry Paulse, said.

"We have even reached agreement on the need for the town council to be nonracial and truly representative of the people."

"What we now need to look at is when and how to set the process in motion. I'm positive about this move and so is the community," he added.

"There is faith and hope that the future of Wellington is bright and ripe with possibilities," said Paulse.

Agreement has also been reached on establishing a nonracial sports body that will control all the sporting facilities.

"We want investors to know that Wellington is a very cohesive and hardworking community and they can only benefit from such a town," Jacobs said.

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% cent of the labour force currently find themselves outside the formal sector. It is a worrying figure."

(336) CT 15/8/91

16/8/11
BPM 718/91

30 000 jobs lost (335)

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.

SOUTH Africa can blame many of its chronic unemployment problems on its dismal failure to keep pace with world trends in the launch of more budding new entrepreneurs into the economic mainstream, according to new studies 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 were under the command of fledgling 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 1 000 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

Entrepreneurs needed to solve

Star 26/8/91

335

jobs

New studies estimate unemployment in South Africa at nearly 5 million. MICHAEL CHESTER reports.

system can provide solutions.

"It would be tragic if we had to admit that billions of rands 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.

Dr Vosloo, whose own programme at the SBDC has ready ploughed more than R1 billion into loans to encourage new small businesses which have created a staggering 280 000 new job opportunities since it started 10 ago, proposes a plan to tackle the problem. It includes:

- More effective and continuous communication between educationalists and the business world, to spell out in unambiguous language what so-

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 set off on a road to progress and economic growth." □

outside schools and academia really expects from the education system.

- Moves to make classroom curricula more relevant to the needs of society.

- Insistence by taxpayers on more value for the money spent on education, to guard against wastage on a bloated education bureaucracy.

- Gearing the education curricula towards the stimulation of attitudes such as individualism,

crisis

Union plans jobs drive

Own Correspondent

JOHANNESBURG. —
The 96 000-member SA
Commercial, Catering
and Allied Workers'
Union (Saccawu) yester-
day 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 rationali-
sation had already re-
sulted in at least 30
workplace closures in
the industry, and notice
had been given of fur-
ther retrenchments.

Board to tackle dismissals

335 248

By Mbuyiselo Mtsheketshe

South 118-718191
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.

LABOUR

By FERRAL HAFFAJEE

THE South African Commercial Catering and Allied Workers' Union (Saccawu) has launched an aggressive job security campaign which demands an end to retrenchments and a freeze on pay rises for managers and dividend payments.

The union also wants a central forum for negotiating industrial restructuring and job security demands and a national register of retrenched workers. The programme is in line with the short-term demands on job security and creation adopted at the Congress of South African Trade Unions congress.

Job security campaign

Because there is no national negotiating forum in Saccawu's sectors, the demands will be made in negotiations with individual companies.

In the past year, says Saccawu, more than 1 000 members have been retrenched and about 30 companies have closed.

At Metro alone, 354 workers have lost their jobs in the past year. A merger of Metro and Score outlets will result in more job losses, Saccawu believes.

Although intensive negotiations prevented job losses at OK Bazaars until recently, a dispute is looming over the recent retrenchment of 43 workers.

The union has been notified of three Checkers stores which will soon be closed and expects further job cuts. The planned shut-down of Frasers mine stores will leave more than 600 workers jobless over the next six months.

A central demand of the Saccawu job security campaign is for casual and

contract work to be phased out.

In the interim, union rights must be granted to these workers.

According to Saccawu, more than 40 percent of employees at major retail outlets such as Woolworths, Edgars and Pick 'n Pay, are casual and contract workers.

Saccawu is demanding that alternative support systems be set up for retrenched workers as a means of ensuring incomes for workers.

It also wants industry-wide skills development schemes and has called on all companies to adopt its model job security procedures.

Union to embark on job security campaign

18/04 11/8/91

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VERA VON LIERES

THE 96 000-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 30 workplace closures and notice of further retrenchments and closures had been given to the union.

The most severely affected area was in the Tradegro group of companies. Tradegro'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 & DH Frasers.

The fate of Checkers and Cash Build was still hanging in the balance.

"In the union's view, Sanlam, which con-

trols 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 made 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 industrial 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

335

ABOUT 100 jobless people 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 RDE 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 non-existent.

Winter made the prom-

By ISAAC MOLEDI

ise 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 Mabopane in Pretoria and Ventersdorp arrived at Winter's Kempton Park office on Monday this week only to be told 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.

Sowetan also found that Winter's office had been closed because of his failure to pay rent.

He apparently removed

some 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.

Workers' hopes dashed

CP Correspondent 18/8/91

THE ANC decision to lift the consumer boycott in Pietersburg did not take into account the plight of 419 workers dismissed from Sakkor 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 Fangh - 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".



MASTER OF WORDS... Kenyan writer Ngugi wa Thiong'o speaking on the role of indigenous languages in Africa. Pic: SIPHIWE MHLAMBI

Kenyan writer gets ovation

By MONWABISI NOMADOLO and LULAMA LUTI 18/8/91

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 post-graduate 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.

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 eMzinoni 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.

Staff cut after scandal at NEI

~~St. Times (Sun)~~
By DIRK TIEMANN

NORTHERN Engineering Industries Africa (NEI) is cutting staff after disclosures about its accounting scandal. 18/8/91

Group managing director Lawrence Hyslop admits the layoffs, saying: "Executive layoffs 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.

335 Skulduggery

Propower has lost the Atlantis 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 1990 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 2 500 staff members at International Combustion Africa (Ical) were laid off.

Ical contributed almost 30% to group turnover last year. It made tube boilers for Eskom and the drilling derrick for Mossgas.

Mwasa to march

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:

Sowetan 20/8/91
By IKE MOTSAPI

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.

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Retrenchment — its effect on staff and productivity

247

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ARC 17/8/91

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.

WORK POWER

Hylton Turner
Industrial
Engineering
Services, NPI

- 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.

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 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 4m adults were without formal employment. How-

Jobless ⁽³³⁵⁾ time bomb facing SA

ever, various estimates have now put this figure at up to 6m.

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 long-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.

40 000 lose jobs in main sectors

B1 Day 3/9/91 *335* *335* *335*

PRETORIA — More than 40 000 workers lost their jobs in SA's four main employment sectors earlier this year, Central Statistical Service (CSS) figures show.

Compared with previous CSS figures, the latest statistics show that unemployment has continued to accelerate. *B1 Day 3/9/91*

In the three months to end-May the number of people employed in the mining and quarrying industry declined by 21 362 to 630 481.

Employment in the manufacturing sector fell by 10 300 to 1 430 000 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 that sector's employment to 48 100.

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 8 300 in manufacturing.

In construction, 7 400 workers lost their jobs.

Employment in the electricity industry remained static.

Exports

Volkscas 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

DEREK TOMMEY

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100

22/8/91

JOHANNESBURG. — Billions of rands are to be injected into the economy in the coming months in a bid to create tens of thousands of jobs and ease black unemployment, says Minister of Finance Barend du Plessis.

He made the announcement in Pretoria yesterday while disclosing that VAT would be reduced from 12 percent to 10 percent.

The government would be spending R1 billion on buying land and investing in black education.

This money was from last year's Budget, of which only R300 million had been spent.

The sum had been topped up to R1 billion again. The benefits would be felt shortly, he said.

In addition, a private development trust had R2 billion to invest.

He said the Urban Foundation had approved 108 low-cost housing projects, the first of which would be signed in the next two weeks. Some R750 million would be spent on these projects over the next 2½ years.

Other projects involving R1,5 billion were also in the pipeline.

These should bring benefits by way of job creation, and improve the quality of life in under-developed areas, particularly in squatter camps.

Mr Du Plessis said the government would spend R1 billion over the next few months on a host of projects providing tens of thousands of short-term job opportunities.

The money, coming from the sale of strategic oil stocks, would be used primarily to ease the plight of the poor.

Dr Dawie de Villiers, Minister of Public Works and Economic Co-ordination, would give fuller details shortly, he said.

Giving reasons for the decision to reduce VAT, Mr Du Plessis said South Africa was in the longest recession since the World War 2.

The economy had been expected to pick up at the beginning of this year. But the war in the Middle East had postponed the upswing.

He said it was not possible to finance through borrowings the R1,4 billion lost to the Treasury by the reduction in VAT.

If the government had borrowed this money, interest rates would have risen further.

Government expenditure this year would remain unchanged at the estimated R86 billion — an increase of 15,3 percent on last year's figure.

However, estimated revenue would fall short because the increase in excise duties and the petrol levy would bring in only R890 million.

As a result, estimated total revenue would drop from R76,9 billion to R74,4 billion.

The shortage before borrowing would increase from R11,1 billion, or 3,7 percent of estimated GDP, to R11,6 billion — equal to 3,8 percent of GDP.

The adjusted shortage before borrowing, after taking into account R1,95 billion from the sale of oil stocks, would be R9,7 billion (R9,2 billion).

In announcing that excise duties would be increased on liquor, tobacco and luxury goods, Mr Du Plessis said the government was also considering changing the basis of excise duty from volume to value.

He said that in the present system excise duty on a bottle of wine selling for R6 and on one selling for R60 was the same.

The Commissioner of Customs and Excise would shortly discuss this with manufacturers of affected products.

Mr Du Plessis had some good news for holders of Krugerrands.

He said that all denominations of gold coins, including the Krugerrand and any other coins the Reserve Bank regarded as legal tender, would be zero-rated for VAT.

He said the changes in VAT could put the income side of the Budget under pressure.

This could affect the Government's aim of cutting company tax and the maximum marginal tax to 40 percent over the next three years.

The government had considered abandoning and postponing the introduction of value added tax, Mr Du Plessis said.

But these options were rejected for a variety of reasons, including the fact that it would be extremely detrimental to the South African economy over the long term, he said.

Mr Du Plessis said VAT could also not be postponed because of the amount of preparation which had already been done in the public and private sectors and because of the disruption it would have caused.

Retrenchment axe is now falling on management

Sowetan 29/8/91

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By
ALI
MPHAKI

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 pinstripers 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 economi-

cally 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 Raphaely, says the overall prognosis doesn't look good.

Sun Courier South 29/8-4/9/91 talks go on

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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 increase of R250 across the board and parity in salaries for white and black trainee supervisors.

Star 29/8/91

Requests for benefit money grow rapidly

By Paula Fray

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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."

R1-bm jobs scheme to be revealed today

By Magnus Heystek
Finance Editor

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Star 24/8/91

The Government is set to announce a R1 billion job-creation package today to be funded by the sale of some of its strategic oil stockpiles.

Details of the plan will be released by Dr Dawie de Villiers, Minister for Economic Co-ordination and Public Enterprises.

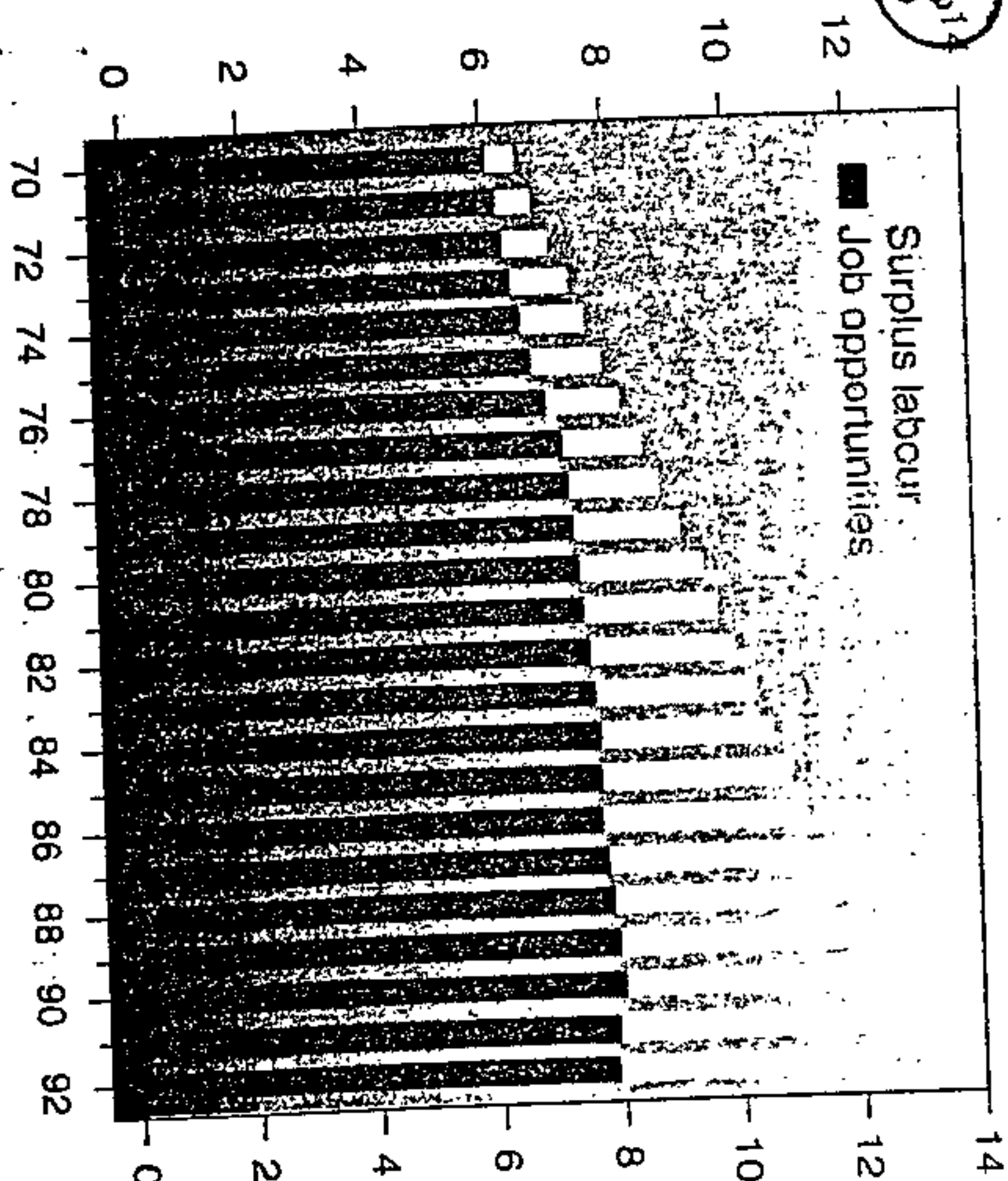
The special projects on which the money will be spent have been designed to make the maximum contribution to economic growth, job creation and social stability.

The R1 billion package is part of the VAT restructuring announced by Minister of Finance Barend du Plessis last week.

Concern

Although further details are not available, it is known that the Government is greatly concerned about the lack of job creation, particularly in the formal sector of the economy.

Having risen continuously over the past twenty years or more, unemployment has now assumed crisis proportions, according to an economic survey released by Bankorp yesterday.



Fewer job opportunities but burgeoning workforce.

Job opportunities are expected to decline by 80 000 this year, while no growth is foreseen next year.

Coupled with the return of thousands of exiles and an increase of more than 600 000 in the labour force, unemployment could be 700 000 higher at the end of 1992.

This could be a time bomb seriously threatening civilized

society and the success of political democratisation in South Africa, says Nick Barnardt, chief economist at Bankorp.

Unemployment is rapidly becoming one of South Africa's biggest problems.

Until the end of the 1970s, total employment in the formal sector was roughly equal to the growth rate of the economically active population.

However, from 1970 onwards the rate of employment started dropping in line with the slowdown in the economic growth rate.

By 1980 more than one million adults in South Africa were unable to obtain formal employment.

Stagnant economic growth for most of the 1980s resulted in only 50 000 out of an estimated 300 000 annual new entrants into the labour market finding work in the formal sector.

Some success

By 1990 unemployment in the formal sector had risen to more than four million out of a total workforce of 12 million.

The Government's deregulation policy and the encouragement of the informal sector has achieved some success.

Several surveys indicate that the number of economically active people in the informal sector has risen in recent years to a level of almost one million.

Nevertheless, unemployment rose rapidly, with especially sharp cyclical surges in the downswing phases of 1982, 1985 and 1990.

This undeniably contributed to the serious and widespread political unrest of 1985, and to the still rising crime level since 1990.

Billion plan to upgrade

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CT 27/8/91

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:

CAPE TOWN IS FASTEST GROWING CITY IN SA

See PAGE 5

- 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 FW 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

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 Economic vision 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 6-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

SHARON WOOD

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 1% 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 0,6% 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.

Reality ... the Unrest toll seems terrifyingly high, but deaths from crime far outstrip it.

They can also see that the security systems to protect property did not help these days. The unemployment rate is too high to solve the crime problem. I don't have a solution, I just live with it," he said.

Unemployment blamed for crime rate

By BRENDAN TEMPLETON

SMALL businessmen in the Johannesburg city centre have pointed to unemployment as the main reason for the soaring crime rate.

Storekeepers interviewed by The Star spoke of their daily fears, not only of being robbed, but of being maimed or killed by vicious robbers.

Phillip Levenson, who started his clothing business 65 years ago, feels releasing "small time" criminals in terms of several recent amnesties and extensions of remission of sentence had only worsened the situation.

"They are all trained to use AK47s, and what can they do but use it because they have no jobs," Mr Levenson said.

A take-away food outlet owner, Adam Solomon, blamed the Government for the high unemployment rate.

"They must stop spending money on nonsense, like building beautiful pavements with fountains in the city, while people have no houses," he said.

"Resources should be redirected from enormous amounts spent on defence to development in underprivileged areas."

Clothing store owner Ismail

Nawab said having the best security systems to protect property did not help these days.

"The unemployment rate is too high to solve the crime problem. I don't have a solution, I just live with it," he said.

Street vendor Dorothy Bube of Soweto said travelling home by train, with her goods and her daily takings, was dangerous.

"They cannot find work, so they turn to crime but it is wrong of them to rob innocent people like myself."

"The Government must employ them because if they have an income, they won't turn to crime," Mrs Bube said.

Siyabulela Masethala of Diepkloof said the Government should keep criminals in jail until their sentences were completed.

"Already there are no jobs for those who have not resorted to crime, what man would employ a criminal? They come out and start exactly where they've left off," Mr Masethala said.

Dieter Erasmus, a Hillbrow businessman, said a changing political climate would in some way solve the problem.

"Many people would find employment and an up in the economy would occur if sanctions were lifted," he said. □

No jobs for 90% of matrics

335 CT 18/9/91

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 neces-

sary qualifications or experience to compete in the overburdened job market.

Mr Charl Adams, manpower manager for the Cape Town Chamber of Commerce, said: "The current economic growth in South Africa is even worse than 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 retrenched, 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 LIERES

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 downsizing, 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.

1 100

107 335
CT 9/9/91

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 Gwala, 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 apace 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.

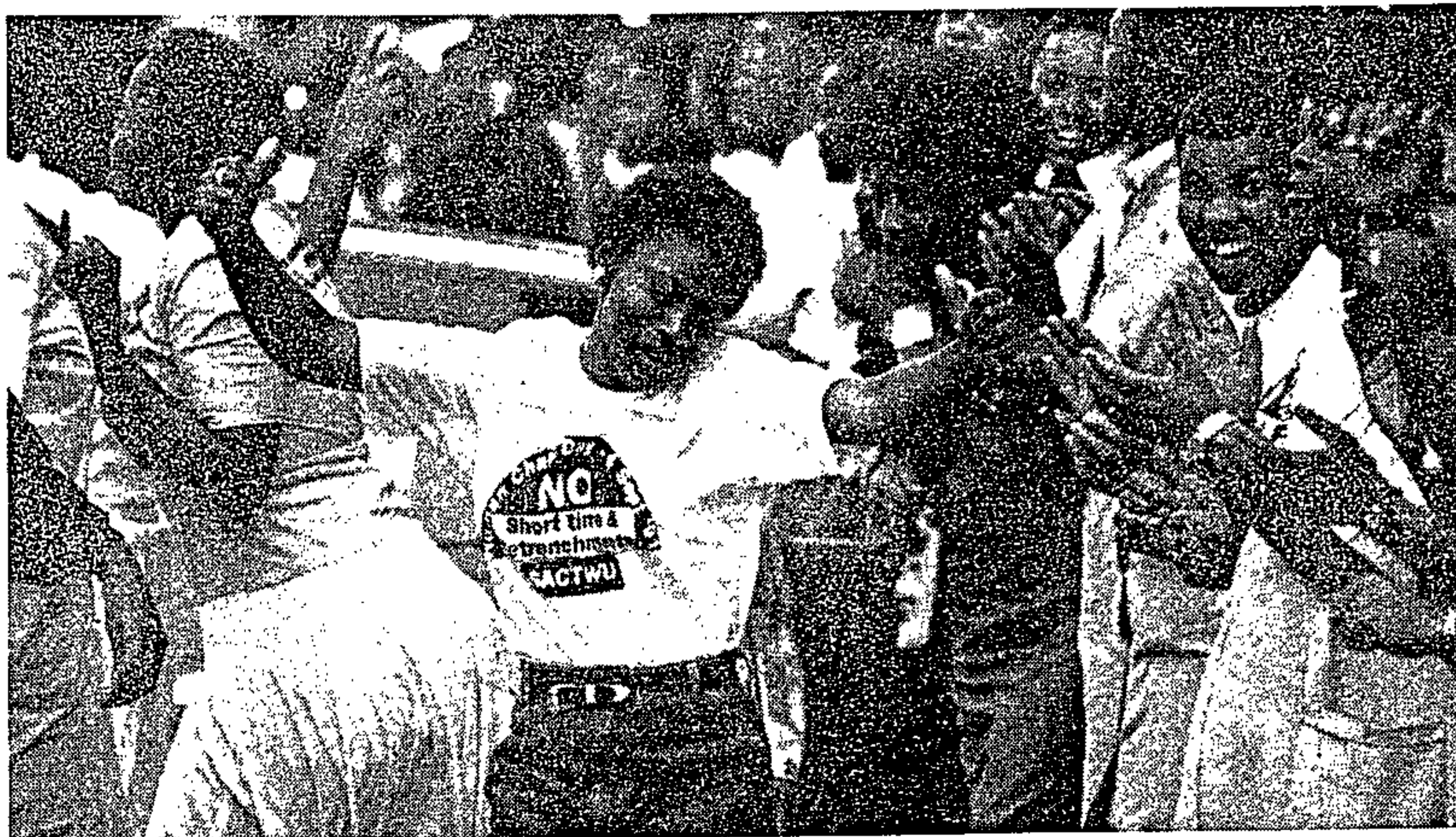
Many of these principles have been effected in training agreements which the National Union of Metalworkers of South Africa has recently clinched with employers in the automobile, tyre and engineering sectors.

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



NO MORE RETRENCHMENTS ... Johannesburg clothing and textile workers joined the 'human chain' protest this week

Photograph: KEVIN CARTER

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 Taladia said the protest was a major success but was marred by two incidents.

In Johannesburg, a worker was alleg-

edly 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 re-

duces 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.

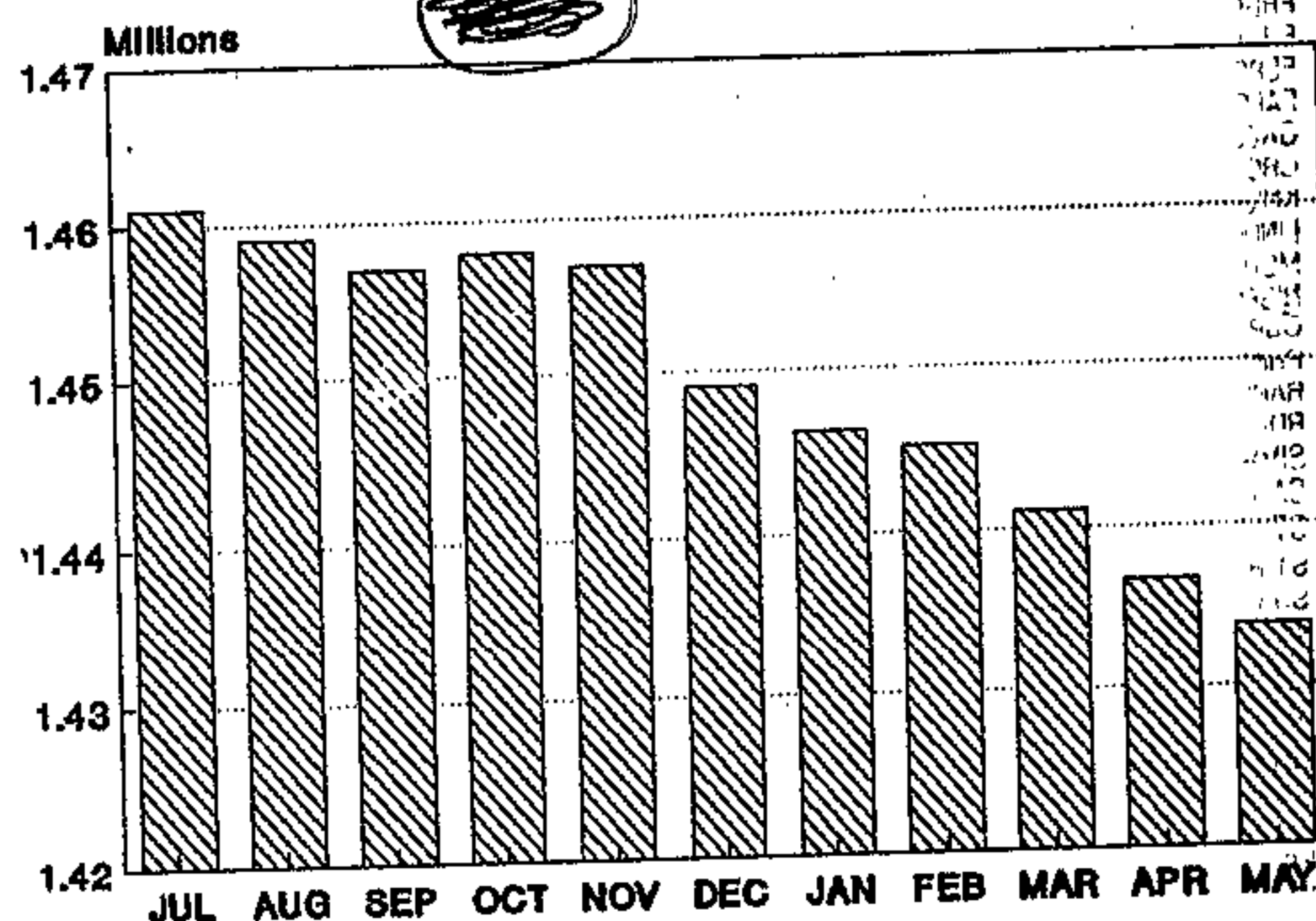
"Strategies for restructuring include extensive training, export-orientation and domestic beneficiation of raw material such as wool," said Patel.

W. Mail 6/9-12/9/91

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Manufacturers shed thousands of jobs

Star 6/9/91



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 employers 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 complements, but have been keeping increases in wages and salaries well below the inflation rate.

This helps explain the cold breeze the 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 R2,34 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 2 600, machinery and equipment 3 300 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 3 083 higher than in 1985 when, according to Reserve Bank fig-

ures, 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 708 a month — an increase of 6,6 percent on the R1 602 paid last July.

The average white wage rose 8,2 percent in this 11-month period from R3 474 to R3 758 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 029 to R1 047.

Adjusted for inflation, the average manufacturing wage dropped 6,2 percent, the average white wage 4,6 percent, the average coloured wage 6,25 percent, the average Indian wage 1,5 percent. The average black wage fell 10,5 percent.

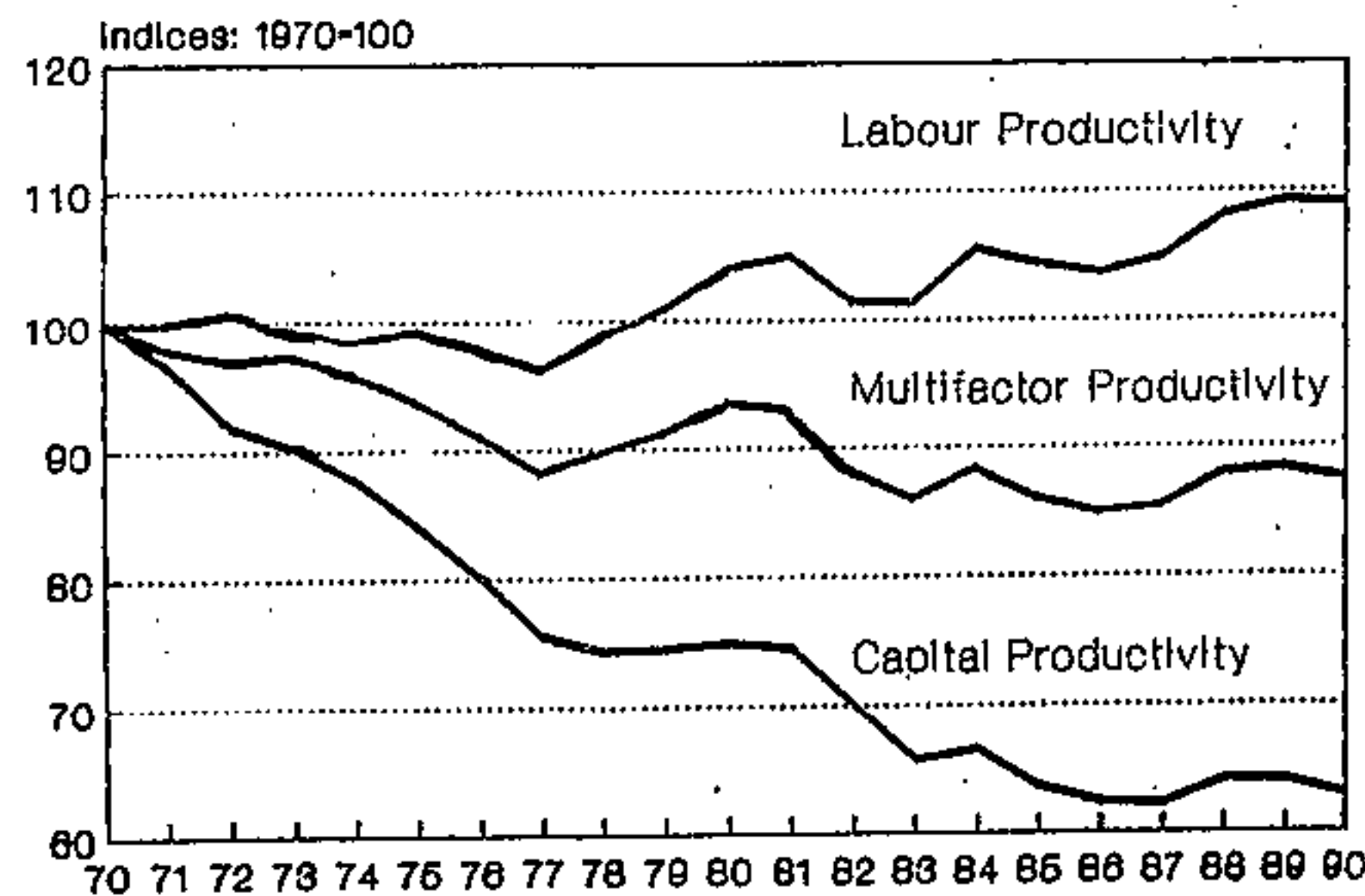
These are not particularly pleasant figures for the average worker in manufacturing.

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.

MULIFACTOR PRODUCTIVITY IN THE PRIVATE NON-AGRICULTURE SECTORS



Rates remain high to fight unemployment

SOUTH AFRICA needs positive real interest rates — ie higher than inflation — to fight growing unemployment. This, as well as fighting inflation, was advanced by Reserve Bank governor Chris Stals this week as a reason for keeping rates at present levels.

Stals put his finger on what has become one of South Africa's intractable problems in his address to the Bank's AGM.

Realistic interest rates, said Stals, are needed for a proper allocation of resources. They will, among other things, lead to capital being used more productively and to production being restructured to alleviate growing unemployment.

The Reserve Bank's annual report, released this week, points to South Africa's increasing displacement of workers by capital over the last two decades, especially in the private sector.

Positive real 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 **REG RUMNEY**

Indeed, the National Productivity Institute has released statistics which underline the poor productivity performance of capital.

The NPI's productivity statistics show that capital productivity last year declined by 1,8 percent, and labour productivity more or less treaded water with a 0,1 percent decline. Multifactor productivity — the broad measure — showed a 0,9 percent decline.

Increasing use of capital 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 out in the public sector.

Various causes are mentioned for the phenomenon of buying machines instead of employing people. In particular, "relative factor prices" were distorted.

Low and often negative (lower than inflation) interest rates meant the cost of capital in the early and mid-Eighties and during the Seventies 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 became more expensive; real wages showed a sharply rising trend because wage settlements generally failed to adequately recognise the relative abundance of less-skilled labour.

"Unionisation, political actions in the trade union movement, protest actions, strikes and unrest added to the non-wage cost of labour."

The annual report also comments that it is not surprising that there was a considerable substitution 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 distorted.

"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 centralised, leading to unrealistically 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 such actions 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."

Boom in black credit demand

By MONDLI MAKHANYA
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 surge in demand.

According to Information Trust Corporation credit bureau, the black segment of its consumer data base grew from about one million to four million between 1982 and 1991. ITC MD Tony Leng estimates black demand for credit is growing at around 30 percent a year.

A big chunk of this has been in home loans but the main beneficiaries of the growth of credit use have been clothing and furniture retailers.

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 start of the black credit boom in the early Eighties, retailers often sacrificed credit worthiness for market share and as a result there were many payment defaults and repossessions.

The credit risk stigma which blacks have now acquired as a result of credit having been available to clearly undeserving people has also landed the white business establishment in a quandary. On the one hand white business is anxious about touching what are perceived as "credit risks". But on the other hand no businessman can ignore a market that will be the decisive factor in the struggles for competitive superiority.

Leng contends the notion of blacks being credit risks is a myth that needs to be dispelled.

"Blacks' willingness to repay is much greater than that of other groups. It is rather the white middle class that is immersed in debt."

However, Kreditinform MD Ivor Jones says although blacks generally make good debtors "political developments and recessions 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 telecommunications and armaments supply industries, and spending by these two industries has been cut back severely during the past four years.

MELANIE SERGEANT

"The direction of our clients will determine our future."

"At our present size, 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 DAY, Thursday, September 5 1991

3

Business 'should buy from informal sector'

B 10 am
5/9/91

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. (335) (188)

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

335

VERA VON LIERES

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. *B/day 4/9/91.*

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 Fanaroff said Numsa was demanding a moratorium on retrenchments, and that government negotiate macro-economic policy.

Rising imports may hit 15 000 workers

3/10/91 335
WILLIAM GILFILLAN

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 "horrendous 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

Forced into tiny council house

3/9/91
LESTER Wessels life fell apart when the recession forced him out of a job.

Due to financial difficulties, his firm retrenched him two months ago and he has been unable to find work since.

He has had to sell his home and move his family into a tiny council house in Jan Hofmeyer, adjoining Brixton.

A fitter and turner of 20 years' experience, Mr Wessels said he had never experienced difficulty before in getting work, although he is deaf.

Humming

"But now it's very difficult and hundreds of tradesmen can't get jobs. All the companies are retrenching people, not hiring them, because the economy is very bad," he said.

Life was humming along smoothly for him and his wife, Susan, and their two young daughters.

With careful budgeting, scrimping and saving, they managed to buy their first home in Vereeniging.

Their savings account was looking healthy and they were even planning a holiday. Life was looking good.

Then, the recession started to bite and his firm was forced to retrench dozens of men, including Mr Wessels.

"We were given a month's salary and told we no longer had jobs," he said.

Every day Mr Wessels went out searching for work.

He went door to door. He telephoned every company he could think of. But everyone told him the same thing: "Sorry, the economy is too bad to employ people. We're trying to cut down on staff."

When his savings were used up, he was forced to sell his home to feed his family.

"It was the very last resort but I had to do it to survive," he said.

They have now moved into a council house — and are very grateful to have a roof over their heads.

Instead of driving off to work every morning, he now hangs around the house, painting and cleaning up.

He continues looking for work but is beginning to get desperate.

Their only source of income is his deaf wife's small disability pension. But with inflation, it doesn't even cover basic necessities. □

The recession is biting deeply — statistics show that more people are out of work, more are joining food queues and more are falling into debt. MONICA OOSTERBROEK and ABEL MUSHI investigate.



Feeding scheme . . . squatters collect mealie meal at Viakfontein.

Picture: Alf Kurmaio

Now they must join food queues

3/9/91
RECESSION in the townships and squatter camps of the Reef often means joining charity food queues to supplement the "piece-job" payments with which so many eke out an existence.

Feeding schemes are finding it increasingly difficult to obtain sponsorships.

Once a breadwinner with a family of six to feed, 37-year-old Joseph Mavhungu has joined the queue at the collection point of Operation Hunger's feeding scheme at the Viakfontein squatter camp near Emmerdale outside Johannesburg.

Survived

This handout — which affords his family a 12.5 kg bag of mealie meal, five cups of soup powder and a tin of fish — comes once in a month.

The recently retrenched Mr Mavhungu, with no skills, said he survived by doing gardening in the neighbouring suburbs and selling imitation jewellery.

"I'm keeping on trying to find a job but there's just no hope. More and more people are losing their jobs, and the competition keeps getting tougher," he said.

Frans Muthali (67) sells vegetables and firewood since the

engineering firm he worked for was forced to close.

"These people are doing a wonderful thing," he said, adding that the rations were of great help to himself, his unemployed wife and their five children.

And while 30-year-old housewife Rosina Musekwa collected a ration for her five-member family, her husband was job-hunting in Johannesburg.

A fixed total of 185 bags of mealie meal — "nowhere near enough" — were distributed monthly at the squatter camp, said Jabulani Mkhize, the man in charge of the feeding scheme.

"There are so many new people joining the queues that we have to use scheme membership cards for control," Mr Mkhize told The Star.

Soweto's well-known community leader, Masechaba Mabaso, hands out food packages in Soweto every week, and this year the demand has risen dramatically.

"Township violence was at its worst this year and many households who lost their breadwinners are depending on feeding schemes," she said.

Her scheme, which gets its food from the Feed-The-Poor organisation and private sponsorships, has more than 50 distributors in Soweto. □

Mediation defuses disputes on mines

By Ferial Haffajee

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-slows 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 "trying 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 Namaqualand'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 a 20 per cent across-the-board increase. Workers are also demanding two weeks' paid compassionate leave, free transport to Transkei and Kuruman, where most the mines 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

Star 31/8/91

335

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 get off the ground before 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

R1 bn windfall elicits Govt 'wishing list'

CAPE TOWN — South African Government bureaucrats think BIG when it comes to spending taxpayers' money.

Or so it seems from their original response to an invitation for proposals on how to spend the R1 billion made available by the Government from the proceeds of strategic oil reserves.

The invitation, sent to all Government departments, drew a flood of applications for money to finance special projects — a shopping list that totalled R8 billion.

How, then, to cut down to size their R8 billion dream? This was the puzzle faced by Dr Dawie de Villiers and his Department of Economic Co-ordination and Public Enterprises, responsible for managing the fund.

Once the applications had been processed, the departments concerned were asked to arrange the proposed projects in order of priority. Those that did not comply with requirements were rejected. Others were eliminated because of duplication.

The final allocation of funds by the Cabinet was done largely according to the priority list.

Asked if the huge response reflected the needs of State departments and the extent to which they were starved of finance, a Government spokesman said this was not so. "The initial response was merely what we call the 'wishing list'," he remarked.

special responsibility for managing the scheme.

Announcing the plan this week, Dr de Villiers said 667 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, housing sites and centres for the underprivileged.

"The Government is seriously concerned about the extent of unem-

ployment in South Africa and the hardship that accompanies it," Dr 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 R62,4 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 Eck, 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 stability 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 responsible 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.

NEW TAX PROMISES TO PUSH MORE SOUTH AFRICANS INTO UNEMPLOYMENT

VAT BITES TO JOBS

(320) (335)
R20 21/9/91

Bond rate up — blame it on VAT

**Weekend Argus
Correspondent**

LEADING commercial banks and building societies have announced increases in bond and prime rates of 0,25 percentage points to coincide with the introduction of VAT.

And the institutions indicated they were considering lower interest rates on savings.

The double blow came as embattled consumers and businesses were pinning their hopes on a cut of about one percent in interest rates by year-end.

However, a cut in rates has become more unlikely with VAT set to lift consumer prices — because higher interest rates are essential to control inflation.

The latest increase pushes up bond repayments by R20 a month for homeowners with outstanding mortgages of

TOM HOOD
Weekend Argus Reporter

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 for this is because the companies would need two systems — for those who could and those who could not claim input credits.



TWEEDE NUWE JAI SAY READERS

DON'T mess with our Tweede Nuwejaar. Argus readers have voted in an overwhelming show of approval to retain the Cape's traditional but evidently doomed — post-New Year holiday.

The 140-year-old tradition of Tweede Nuwejaar is set to die from next year terms of the Business Act of 1991.

Out of 289 callers who responded to the invitation to cast their votes for or against, a mere seven were in favour of scrapping the holiday. Some cited traffic

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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 business. 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 risk and many small firms could be put out of business by new tariff proposals, says Mr Aaron Searll, 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.

COME I
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image of I
new R1,5-

Man dec

JOHAN SCHRÖN

Weekend Argus Rep

THREE people died and seriously injured in two crashes on the West Coast Bloubergstrand.

A man was decapitated and other occupants of a car when the vehicle collided head-on with a diesel tanker at 2 am on 5

Two passengers in the car were also seriously injured.

A Parow man was trapped in his car after hitting a bakke after near Eerste Steen, Bloubergstrand.

The driver of the bakke had a broken leg and other injuries.



BY UHFW FORREST

IN AN important judgment, the industrial court has reinstated 300 workers fired last year by the Performing Arts Council of the Transvaal (Pact) with backpay amounting to close to R1-million.

The workers, members of the Congress of South African Trade Unions' Paper, Printing, Wood and Allied Workers' Union, were fired last September after striking over demands for the recognition of their union and the implementation of stop-orders. They had long service — some of up to 25

Fired Pact workers reinstated by court

W/19 - 26/9/91

335

2/9/91

Reinstating the workers with six months' backpay, court vice-president MAB Bulbulia in part relied on industrial court precedents. Many workers had long service — some of up to 25 years — while workers had previously shown "devotion, fidelity and constancy" to Pact. But in a vital new breakthrough on unfair dismissal, he also found workers Pact fall under the Labour Relations Act.

before losing pension, housing, educational and other benefits through a mass firing. The workers' lawyer, Pam Stein, said Bulbulia was applying precedents set in the supreme court in regard to public servants fired during last year's hospital strikes. "He's imported administrative law into the industrial court," she said. In terms of the celebrated Moira Tucker case, bodies such as the SABC and Pact fall under the Labour Relations Act.

TGWU on the march

■ Transport and General Workers Union members marched in Johannesburg this week in the ongoing dispute with Sun Couriers. (335) 1998

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. w/mail

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 300 of the workers had been selectively reinstated. 20/9-26/9/91

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never exercise that right in
practice."

Pact must reinstate workers

810 ay 19/9/91
THE Industrial Court has ordered the Performing Arts Council of the Transvaal (Pact) to reinstate 299 workers dismissed at its Pretoria office last September for taking part in an "illegal" strike.

The workers, all members of the Paper, Printing, Wood and Allied Workers' Union (Ppwawu), include technical staff and office cleaners.

Industrial Court deputy president and presiding officer M Bulbulia last week ordered Pact to reinstate the workers with six months back-pay and restore all benefits and rights, including pension benefits.

Ppwawu members stopped work in September last year, demanding to see Pact management to find out why it had not granted workers stop order facilities for union subscriptions.

Union officials said that at the time the union and management had been deadlocked over the issue for months.

Bulbulia ruled that Pact failed to take into consideration the length of service of

the strikers, many of whom had been with the company between four and 29 years.

Pact should have taken into account the loyalty of its employees, and that they had not embarked on a work stoppage before. In addition, strikers had not been disorderly during the strike.

Further, Pact should have considered that losing employment would deprive workers of their benefits, including pension benefits.

Pact also failed to give workers a fair ultimatum before dismissing them and did not consider alternatives to the dismissals, Bulbulia ruled.

Pact deputy general director Louis Bezuidenhout said yesterday it was premature to comment on the ruling as Pact had not yet received the final documentation.

He said the position of workers employed after the dismissals remained unchanged.

VERA VON LIERES

Out-of-control jobless threat

SITimes
(Bun) 15/9/91

(335)



ANDREW LEVY: Hard times

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 Barnardt, quoted by labour consultant Andrew Levy & Associates in a report on retrenchment.

Levy & Associates says retrenchment has been a 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 no growth last year, the return of thousands of political exiles and an increase of 600 000 in the domestic labour force mean that unemployment at the end of 1992 could be 700 000 higher than in 1990."

This week was marked by closure of the Crocodile River platinum mine with the loss of 1 300 jobs, production cuts at Loraine gold mine at a cost of 1 000 jobs, cancellation of a shaft at Winkelhaak 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 boss 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 0,5% 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 1990 about 4-million adults were out of work. Poor growth running into next year means that unemployment will worsen.

"The lost generation can grow by 500 000 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

to lower-paid categories.

Ian Macgregor, president of the SA Federation of Civil Engineering Contractors (Safcec), says the labour force was cut by 15% in the first six months of this year after a 10% reduction last year.

Moss gas employs 14 000 people on site, but the number will fall to 970 when work is completed by the end of the year. Some may be able to find jobs on construction at the Columbus stainless-steel plant and other projects that may stem from the Government's tax handouts to exporters of beneficiated minerals.

But these projects are notoriously capital intensive and will provide few permanent jobs.

Civil engineering employs about 75 000 compared with 110 000 at the beginning of 1990.

In the past 12 months, the skilled and professional labour complement has been slashed by about 30%.

Mr Macgregor says much work has been promised from upliftment programmes, but there is usually a long delay in getting them going.

Seifsa chief economist Michael McDonald says retrenchments of between 2 300 and 2 500 a month are common in engineering, but the cuts are slowing.

Skilled

In the first half of this year 22 500 workers lost their jobs. The total for the year is likely to be 35 000, many of them professionals and skilled staff. More than 42 500 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 Jammie, head of economic think-tank Econometrix, says the biggest danger of soaring unemployment, particularly in political change, is that the Government could be tempted to boost spending to revitalise the economy.

Record UIF payouts

CT 18/9/91
Own Correspondent

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

Sick leave costs man house

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

Readers' Hotline



READERS' HOTLINE

Helping you with your problems

□ PO Box 548
Kengray 2100

City Press
22/9/91

see they had done nothing to help me, so I went to another lawyer and paid R180, but still nothing happened.”

Masilela instructed a firm of Secunda attorneys last November. The lawyers told City Press they were still corresponding with the Secunda council, but could not get adequate medical records to prove Masilela's case.

City Press obtained Masilela's medical records, which showed he was admitted to Bethal Hospital on February 3 with a stomach stab wound.

He was in hospital for three weeks, then treated by a Kinross doctor for a further three weeks because his wound became septic. He was declared

fit to return to work on March 21, two days after the strike started.

“When I went back to work, the strike had already started. I was dismissed with all the others even though I was on sick leave when the strike started,” Masilela said.

The council alleges Masilela “dismissed himself” by striking and that he was not among those selected for re-employment because he had received four warnings between 1988 and 1990 about being late for work, taking unauthorised leave and not fulfilling his conditions of service.

His lawyers have again taken up the dismissal with the town council.

As a result of losing his job, Masilela could not keep up his 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.

11/10/91 2579/91

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 Ciskei. Among those fired was NUM regional chairman Jackson Quite.

The company could not be reached for comment.

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Audiobuild slashes jobs at ailing Buildcor

Monday 25/9/91
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 retrenched almost 60% 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 (R69m), 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 Boksborg 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 R11,9m (R7,9m).

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 defence cuts should have been phased in slowly to allow development of arms exports markets 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

 JONATHON REES

has retrenched more than 10 000 people, and its major contractors have laid off about 26 000 employees. (335)

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 application 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

□ To Page 2

Defence cuts ^{blown} 23/9/91 (335) From Page 1

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 spokesmen 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 200 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.

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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, according to Armscor.

335

CT 23/9/91

Workers ⁴⁵² fired after ³³⁵ stayaway

ABOUT 200 workers employed by Crown Cork in Alrode have been dismissed for participating in a two-day work stayaway last week. 26/9/91

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

Sowetan 26/9/91
LABOUR strife has hit the Natal building industry following disagreement between employers and the workers over pension pay-outs on retrenchments.

Mr Bheki 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 Acier-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.

Acier-Beton Construction's managing director, Mr Malcolm Lawton was not available for comment.

The strike by workers at Acier-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

Source 26/9/91

335

EVER thought about how unemployed people survive in this severe economic recession?

A study done on 900 people in Alexandra, where 55 percent of the population is unemployed, has come up with some startling revelations.

On the question "how do you survive?", the most frequent answer is: "Stealing from the wealthy northern suburbs of Johannesburg."

Running an informal business comes second.

By DON SEOKANE

Then follows gambling and robbing people in the township.

Other answers, according to their order, are: Doing odd jobs, begging, being supported by the family and selling liquor.

Scrap

Scavenging and doing temporary work are last on the list of the 10 most frequent answers.

The survey was conducted by Education for Employment, a joint

project by Alexandra and its neighbours to provide jobs skills training and work opportunities.

Other ways of earning an income mentioned are selling scrap, washing taxis, prostitution, drug-smuggling, and selling jumble.

Mr Dave Jackson, director of Education for Employment, says it must be recognised that the situation is desperate and unlikely to improve in the short term.

"Unless businessmen,

in co-operation with responsible community leaders, look seriously at what can be done to create job opportunities, crime will become an acceptable part of urban life in South Africa."

Youth

Jackson said the Education for Employment was also providing improved schooling and pre-schooling Educare.

Parental education and youth counselling including community leadership programmes are

also offered to the Alexandra community."

Jackson is to address a meeting of business executives on "The unemployment crisis - implications and practical options for business" at the Sandton Sun on October 3. Businessmen willing to attend should contact Mrs Barbara Holden at 706-1436.

The meeting is to be hosted by Mr John Hall, president of the South African Chamber of Commerce.

Lost jobs lead to lost homes

City Press 29/9/91

335



HUNDREDS of re-trenched 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 per cent 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.

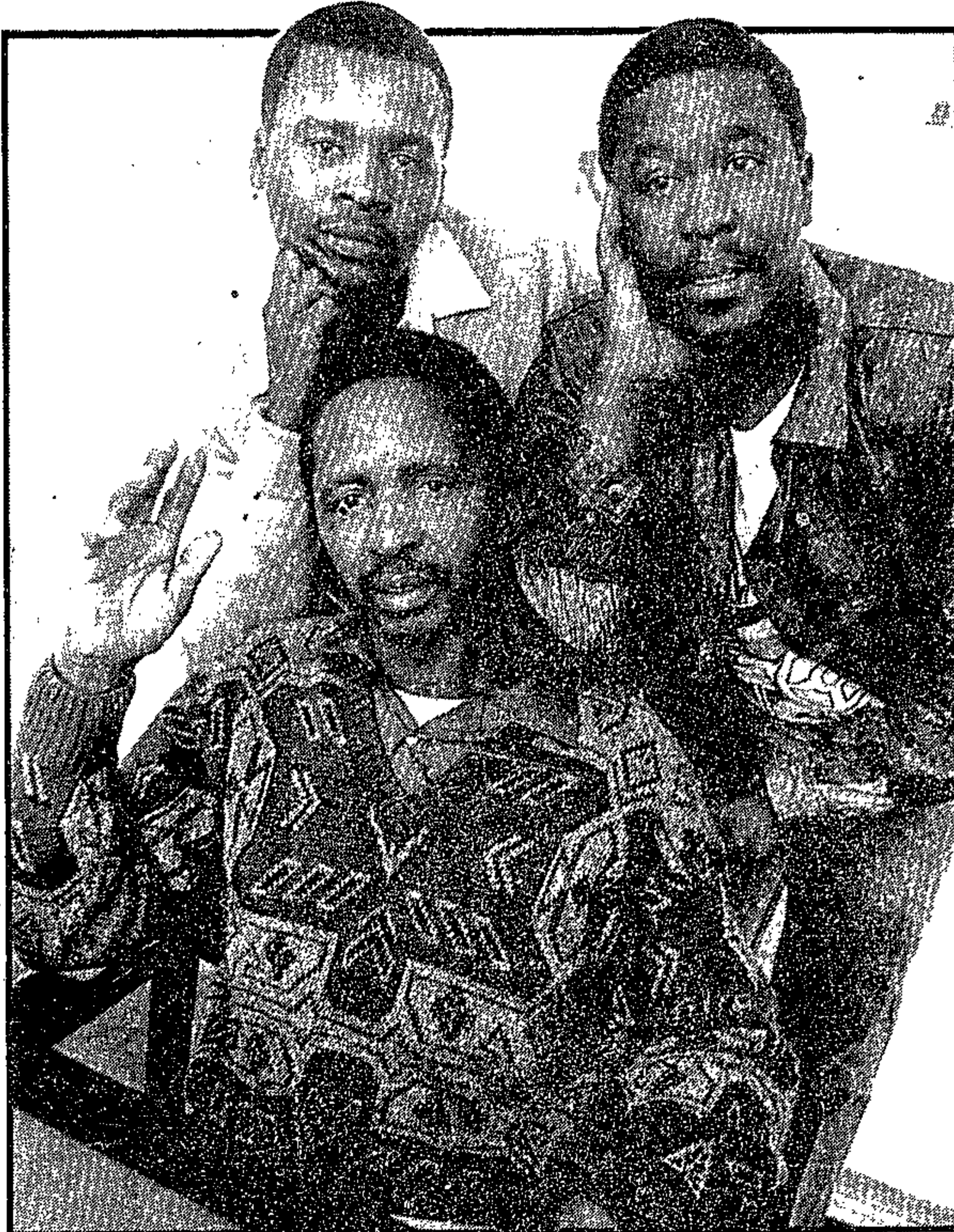
They have bonds of about R35 000 with a variety of banks and their monthly repayments are about R600 a month. Most of the workers got Sasol subsidies of between R400 and R500 a month. From this month most of them will not be able to pay their bonds.

More than 700 workers were retrenched at Sasol's Vereeniging plant this month 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 fitter Josias Koalepe only moved into his Sebokeng house in May. Four months later



HOMES IN DANGER . . . Retrenched workers Andrew Masoka, left, and Vuyani Katiya, with Josias Koalepe, front.

Hundreds of Sasol staff will be out on the streets

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 chil-

dren 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 per-

sonnel 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 swal-

Readers' Hotline



Helping you with your problems

□ PO Box 548
Kengray 2100

low," 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

South 26/9 - 2/10/91 (Business)

15311 335

17365

RAPIDLY RISING unemployment, especially among the youth, is focussing 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 that 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 expecta-

tions 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.

SOWETAN RADIO METRO



TALKBACK

'Lack of jobs is cause of crime'

UNEMPLOYMENT has driven most township youths to crime and gangsterism, Mr. Steve Mokoena, a researcher at the University of the Witwatersrand, said yesterday. 27/9/91

Mokoena was a guest on the Sowetan/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 Berea, 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.



DAY, Monday, September 30 1991

Huge jobs shortage predicted

GERALD REILLY

PRETORIA — A Unisa report released at the weekend has highlighted the dramatic expected increase in the number of black workers between now and 2005 and the inability of the formal sector to get anywhere close to providing enough jobs.

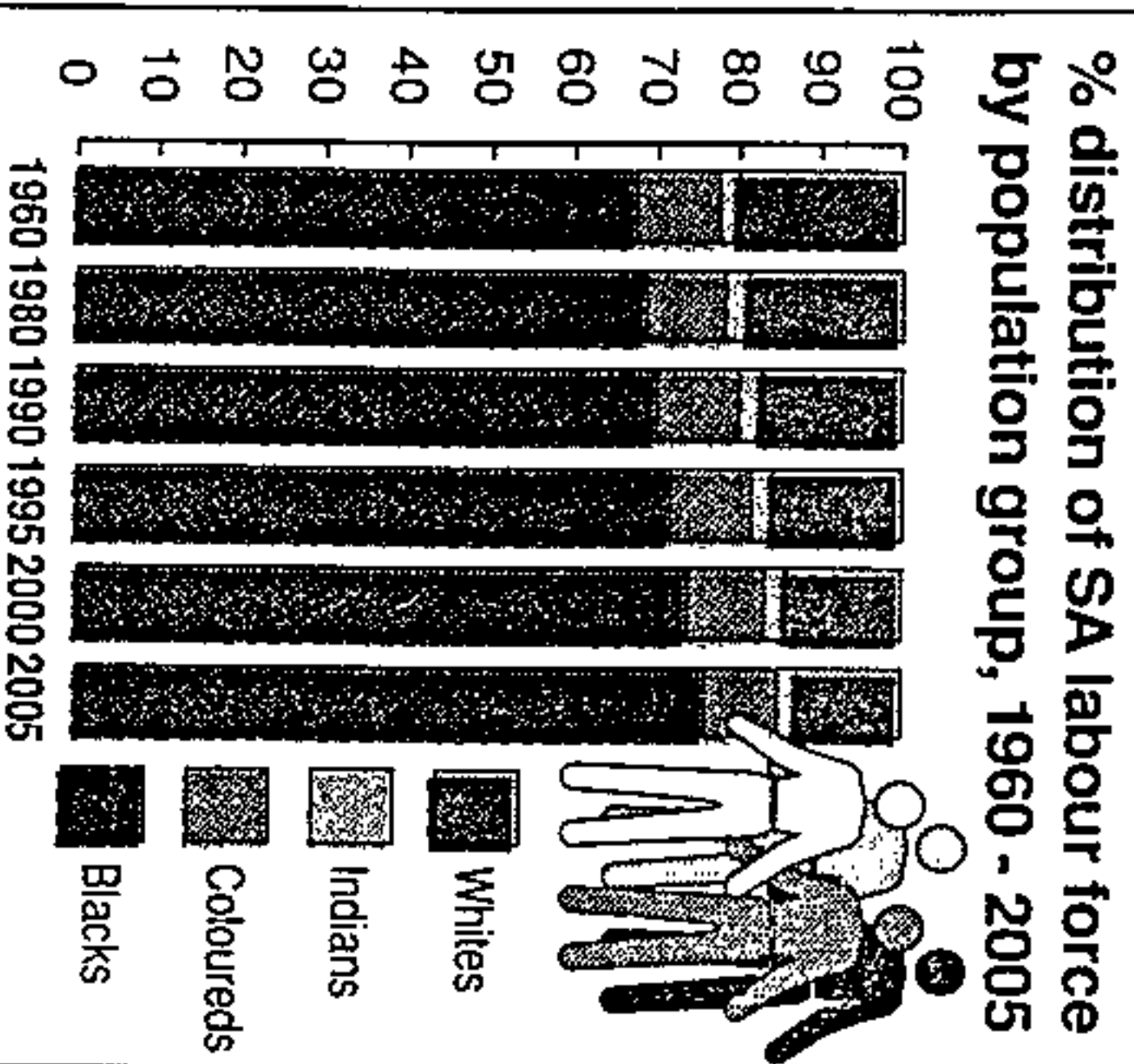
Compiled by demographer Prof J L Sadie, the market research report claims the surplus of semi-skilled and unskilled workers will rise to a huge 11.5-million by 2005.

It says that between 1990 and 2005 an average of 450 000 new workers will enter the labour market every year.

This will rise to 510 000 a year in the five years to 2005 and contrasts with an average annual increase of 31 000 jobs in the formal sector during the last five years of the '80s, when the public sector provided 95% of the new jobs.

The SA labour force rose by an average of 2.8% a year from 1960 and this tempo is likely to be maintained until 2005.

Between 1960 and 1970 the labour corps increased by three blacks to one white, but from 1985 to 1990 this ratio rose sharply to 9.8:1 and by 2000 to 2005 it is expected to show a dramatic



ic escalation to 53.5:1.

"As whites and Asians are responsible for 97% 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 to the formal sec-

tor," says the report.
"And, excluding migration, the shortage of executive and skilled workers is expected to reach 921 000 by 2005."

"Assuming the employment of executive and skilled workers is a prerequisite for the creation of jobs for workers in other categories and that it will not be possible to fill the 921 000 vacancies, the surplus of semi-skilled and unskilled workers will rise to 11.576-million by 2005."

By implication, about 57% of the labour force will have to earn a living in the informal sector or be unemployed.

Between 2000 and 2005, 91% of the net addition to the labour force will be black, with whites representing only 1.7% compared with 21.8% between 1960 and 1970.

Sadie found this would have a dramatic impact on the composition of the labour market.

The share of whites will plummet to 12.7% in 2005 from 20.3% in 1960. The black share will rise from 67.4% to 75.9%.

The report stresses the sharp decline expected in the growth of the white male labour force.

Between 1960 and 1990 its annual growth rate stood at 1.7% compared with 2.3% for blacks.

Job'burg

Jobless nightmare

(335) RLG 28/9/91

Weekend Argus
Correspondent

JOHANNESBURG. — South Africa faces mammoth unemployment if the economy does not spectacularly increase its capacity to provide jobs for new workseekers.

The situation could become so severe that by 2005 the average white male will have to earn enough in the paltry 38,8 years he is able to find work to make provision for the 16,1 years during which he has no income.

These are some of the conclusions to be drawn from a major new study of the labour market by Professor J L Sadie, conducted for Unisa's bureau of market research.

Professor Sadie found that between 1990 and 2005 an average of 450 000 people will enter the labour market every year and that towards the end of the period this statistic will be an annual 510 000.

The total labour force in 2005 will number 20,2 million.

To put this in perspective, in the last five years of the eighties new jobs in the formal sector were created at a rate of only 31 000 a year, 95 percent of them in the public sector.

Equally significant is his finding that whites will account for only 1,7 percent of new job seekers in 2005, compared to 21,8 percent in 1960 — an indication of the need for a massive national skills training programme.

The result of this trend will see the share of the labour market by whites plummet from 20,3 percent in 1960 to 12,7 percent in 2005. The figure for blacks will increase from 67,4 percent to 75,9 percent.

Professor Sadie also found that an increasing proportion of the labour force will be female. It will rise from 23,4 percent in 1960 to 39,3 percent in 2005.

While life expectancy at birth among white males (66,8 years) is higher than that of black males (55,1 years), the difference between life expectancy at the age of 60 is negligible.

This implies they will spend almost the same length of time in retirement (8,8 years and 7,5

years respectively), which in turn indicates that pension fund membership is equally advantageous to both race groups.

"Of even greater significance than the years spent in retirement is the number of years males will spend outside the labour force from age 15 until the end of their lives."

In 1960 white males spent 21 percent of their lives outside the labour force while the figure for blacks was 9,5 percent. By 2005 these percentages will rise to 41,5 percent and 37,1 percent respectively.

Hence, by 2005, the average white male will have to earn enough in the 38,8 years he works to provide for the 16,1 years in which he has no income.

Checkers staff are up in arms

THOUSANDS of workers at Checkers - facing possible retrenchment following the sale of the company to Pepkor - are up in arms nationwide because they were not consulted about the deal.

The workers, members of the SA Commercial, Catering and Allied Workers' Union, staged sit-ins and demonstrated at Checkers stores, mostly in the Transvaal, on Wednesday, said union spokesman Mr Important Mkhize. Mkhize said about 10 000 workers - including about 1 500 in the Western Cape - would be affected by the sale of the company.

"Management has said they, too, do not know what the future holds for workers and that none of them has been given a copy of the agreement of sale, including Checkers directors," Mkhize said.

Workers were "angry about the uncertain situation" and had sent a list of demands to management, including:

Sowetan 11/10/91
Sowetan Correspondent

* A copy of the agreement of sale to check whether provision had been made for workers;

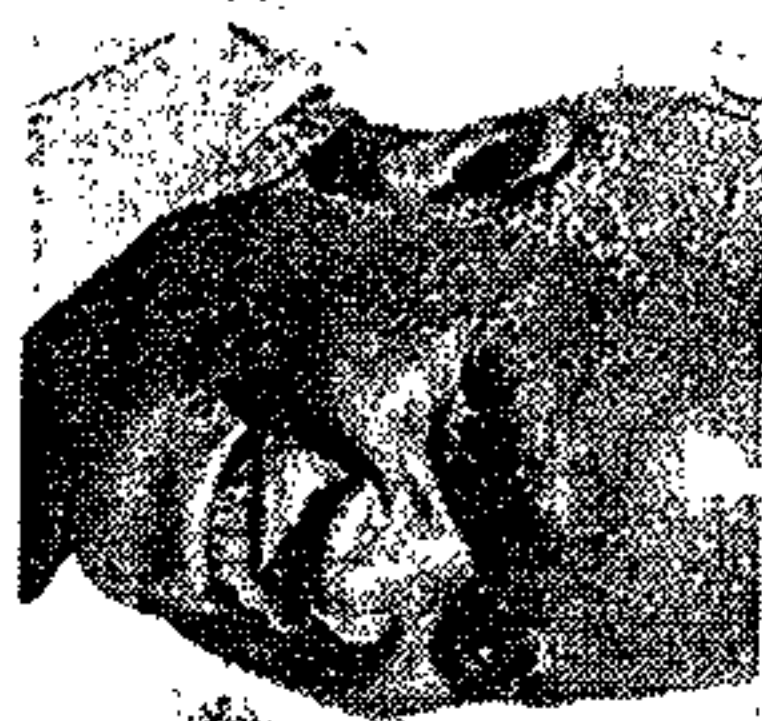
* A guarantee that workers would not lose their jobs before and after the sale; and

* Employees' conditions of service would not change.

They also demanded that the collective bargaining relationship and the recognition agreement between the union and the company would not be affected by the sale.

Checkers managing director Mr Sergio Marinenko said while he had received a list of demands, he did not know why they had been sent to management because the company's shareholders, not management, could address the demands.

Marinenko could not comment on the demands because the matter was "sub judice".



KENNETH KAUNDA

Kaunda denies plot for power

LUSAKA - Zambia's President Kenneth Kaunda yesterday denied charges by the opposition that he would use troops to cling to power if he lost the coming elections.

Kaunda, facing his first challenge for the presidency since he imposed a one-party state in 1973, dismissed the allegation as mischievous.

On Wednesday, opposition Movement for Multi-Party Democracy spokesman Mr Michael Sala told a pre-election rally Kaunda was hiding 100 commandos in Lusaka's Chamba Valley Prison "to create chaos if he loses the polls".

"He knows he has no chance of winning the polls," Sala added.

Kaunda, interviewed at State House by the *Independent Television Network* of London, accused the opposition of provok-

ing him.

"If I arrest some people," he said, "they will say I am muzzleing the opposition. These people are cheats. Where are these commandos coming from?"

Kaunda (67) who led Zambia to independence in 1964, is being challenged in the presidential and parliamentary elections on October 30 by Democratic leader Mr Frederick Chiluba (46) a popular trade unionist.

Chiluba's party was legalised only after Kaunda, bowing to pressure from home and abroad, rewrote the constitution last December to restore multi-party democracy.

The opposition has suggested that it would investigate Kaunda's alleged role in ruining the copper-based economy. - *Sapa*

Labour told it has key to employment

335

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, Sacob 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 125 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 development regions into which SA was demarcated in 1982, 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 12,5% 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 20 years.

DBSA chairman and CE 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.

LESLEY LAMBERT

335

Under 10% found jobs

335
CT 2/10/91

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 89% 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 25% 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 is-

ues, 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 285 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 2,85% 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

Star 2/10/91

1215 1213 335

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 7 325 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 sec-

tor," 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 1960 to 39 percent in 2005.

Future bleak for job hunters

Star 2/10/91

(235)

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 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.

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 bound 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 29 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 R650 each — no better than a minimum living level.

And the bank has found that the number of workers flocking

The Development Bank has listed certain challenges on regional economic problems, reports
MICHAEL CHESTER.



Dr Simon Brand ... shrinking employment opportunities.

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 R3 531 in 1970 to R3 285 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 57 percent. The share of the black population grew from 22,3 percent to 31,5 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 1988 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 level.
- 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

335 ARC 2/10/91

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.

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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 than 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 80 percent of them are struggling along on monthly incomes of less than R650, no better than a minimum living level.

Heading 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 out-numbered 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 R3 531 in 1970 to R3 285 by 1989.

Spotlight on jobs crisis

A co-ordinating committee is needed in the Western Cape to tackle the region's unemployment crisis.

This was the main thrust of a seminar held in Cape Town this week to focus attention on what was described as the "new realities" of the South African job market. *South (Business) 3/10/91 - 8/10/91*

The seminar, part of the Small Business Week programme of the Small Business Development Corporation, was attended by educationists, business representatives and officials of the Department of Manpower.

Delegates expressed concern about the duplication of career training in South Africa and spoke about the need to consolidate career projects.

Professor Wolfgang Thomas, SBDC regional general manager, said shocking unemployment levels could leave thousands of people with little choice but to look at self-employment.

"We have to put all our energies together. We have to sit down with the key players and look at how we can deal with this situation," said Thomas.

The SBDC believes the country's unemployment problems cannot be solved unless South Africa produces more entrepreneurs.

With job opportunities offered by the formal business sector for only 125 of every 1 000 school-leavers, 875 of them have no option but self-employment or the informal sector.

The seminar was aimed at promoting youth entrepreneurship and looked at what could be done by schools, career advisers, the business community and small business support groups to strengthen it.



SEARCHING FOR OPPORTUNITIES: SBDC regional general manager Wolfgang Thomas, left, with delegates at the Cape Town seminar this week

Atlas to axe a quarter of its staff

6/10/91 3/10/91
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 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

□ To Page 2

Atlas

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 annual 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 pro-

duction 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 18 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.

□ From Page 1

Armcor

5 000 set for

Star 7/10/91

jobs battle

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By Helen Grange
Pretoria Bureau

Thousands of retrenched Armcor workers are about to encounter a closed labour market unable to absorb even the most highly skilled among them, economists say.

Armcor announced last week that it was to retrench a further 5 000 workers country-wide 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 econ-

omy 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.

Armcor 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 Rensburg 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 Rensburg said.

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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 (Saccawu), 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

Sowetan 11/10/91

335

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 forces 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 Barbados, Calcutta or Hong Kong, companies now go "body shopping" for labour, buying it wherever it's cheaper and most productive.

And since about four 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 R1 250 a month. In Taiwan, that worker gets R50. But Taiwan is currently exporting factories at a furious rate

FOCUS

By TONY MANNING
(author and business consultant)

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 - in 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

Tough challenges wait in the future

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 Americas and the Pacific Rim.

If once we could expect easy handouts from the world's do-

gooders, that time is now past.

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 also past. 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 use 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

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in the next 12 months.

Almost 60 percent of the respondents in a September survey of the manufacturing sector, carried out by the South African Chamber of Business, signalled their intention to cut back employment. (335)

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.

DARK DAYS FOR FISHING FOLK AS 2 000 FACE RETRENCHMENT

THE rapid deterioration of the fishing industry will leave up to 2 000 workers jobless by the end of this year — and there are no short-term solutions.

The country will lose millions of rands on the export market as crayfish catches decrease and entire West Coast villages — dependent on the sea for their economic livelihood — could be reduced to "ghost towns".

Last year a large number of workers were retrenched at Lambert's Bay and several smaller factories, such as Sandy Point at St Helena Bay, closed down completely.

But the panic began in March when the Saldanha Bay Canning Company, one of the oldest factories in the town, announced retrenchments.

The factory will close down most of its operations by the end of the year, leaving close to 300 workers jobless.

The Food and Allied Workers Union said the government had mismanaged fish resources.

Fawu organiser, Ms Shihaam Appolles, said over-fishing, fishing of juvenile crayfish and inadequate limits had been set on foreign trawlers entering South African waters.

She said the legislation regarding drift-net fishing had not been enforced and agents on the docks were helping foreign vessels to refuel.

In a memorandum to the Minister of Environmental Affairs, Mr Louis Pienaar, Fawu demanded that South African shipping or other agents who supply drift-net vessels should be subject to the same penalties as the vessel owners themselves.

Environmental groups supporting Fawu's campaign on marine resources said drift-net fishing could not be blamed as the sole factor in the deterioration of the fishing industry. However, such

fishing was responsible for upsetting the marine ecosystem by literally "strip-mining" the ocean.

At a meeting with unions and environmentalists, Mr Pienaar said he was looking into means to make legislation stricter around the use of drift-nets.

Recent findings of the Research Institute of the Department of Fisheries suggest that fish and crayfish shortages were due to a gap in the sea's food chain.

Plankton on which anchovies feed, have seriously declined. Banks of mussels which crayfish feed on have been stripped bare. The result was that crayfish were growing slowly this year.

The response of the various interest groups to the crisis indicate that there were clearly no short-term solutions.

The government has agreed to avail an official of the Environmental Affairs Department to be part of

a working group to be set up by the unionists to monitor the enforcement of anti-drift net legislation as well as other relevant matters.

It has further committed itself to arrange through the Department of Foreign Affairs, a convention for the South Atlantic to discuss, among other things, the drift-net issue.

The union has called on the state to tax fish companies' profits to create an insurance fund for the thousands of workers who face retrenchments or drastically reduced earnings.

These demands were reinforced at Fawu's National Fish Conference in April where workers met to adopt a ten-point plan of action. Present too were workers from the fish factories of Port Elizabeth and the Transvaal.

They decided to call a joint meeting with employers across the industry to discuss their future.

Sacob predicts more job losses

8 1000 11/10/91
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.

(1880) (1881) (335)
LINDA ENSOR

Lockwood said those businesses involved in the export market should see an increase in sales and profitability next year. However, domestic-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.

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, *SA: An inter-regional profile*. This is because the large ratio of young people to total popula-

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ECONOMY & FINANCE

tion 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. ■

Atlas staff in dark over layoffs

B/day 18/10/91

LINDEN BIRNS

ARMSCOR subsidiary Atlas Aircraft Corporation has yet to inform staff precisely who will be retrenched at the end of the month in terms of Armscor's rationalisation programme announced recently.

In a statement earlier this month Armscor chairman Johan van Vuuren said 5 000 would be axed from the arms procurement and manufacturing corporation and its subsidiaries by the end of the year.

Atlas staff were informed by management that at least 1 300 would have to be retrenched, many of them by the end of this month, and all by early next year.

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 outlining retrenchment, including one that staff volunteering for retrenchment would not automatically receive severance benefits.

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Public servants fear for job security

PRETORIA — Anxiety over job security is sweeping through the public service and senior government workers say an assurance by a government minister last week has not allayed fears.

Public servants wanted "cast iron" assurances that their jobs would be safe under any new political dispensation, workers said at the weekend.

Insecurity intensified last week after a statement by ANC president Nelson Mandela that the ANC planned to have a public servants corps trained in the UK for integration into the civil service.

At the weekend Public Servants' Association (PSA) GM Hans Olivier said: "We have had assurances that government workers' job security is a non-negotiable."

But Olivier questioned whether

GERALD REILLY

this assurance would be honoured by a new government.

"We want a clear undertaking, a written guarantee from all the role players at the multiparty and constitutional talks that no public servant will lose his job in a new SA."

The PSA welcomed the statement last week from Administration Minister Piet Marais that civil servants should not be "upset" by Mandela's announcement as government would look after their future interests.

Olivier said: "We welcome this statement, but again we want something more than verbal assurances that the benefits and rights of serving public servants will be safeguarded and protected from interference by a

new government.

Meanwhile Commission for Administration chairman Piet van der Merwe said the Public Service Act was a non-discriminatory piece of legislation which laid down merit and qualifications as the only criteria for advancement.

Van der Merwe pointed out that blacks already outnumbered whites in the service. At the last count the central government employed 150 000 whites and 180 000 blacks.

Other government sources said any effort to "Africanise" the service and to place workers in jobs they were unqualified to fill would result in costly inefficiency and ultimately, if the policy went on for long enough, in a public administration disaster.

Wider bargaining powers sought

PRETORIA — Public sector workers are pressing government to push through long-promised legislation next year to give them the same negotiating powers enjoyed by private sector workers.

This is expected to include provision for conciliation, arbitration and finally the right to strike in support of salary and other demands.

And in a statement yesterday the public service caucus group, representing 11 public sector staff associations and unions, asked government to speed up the drafting of legislation.

There was good reason, a spokesman said, for grave concern at the limited progress made so far.

The caucus group objected to a legal adviser to the Commission for Administration, Hugo Pienaar "who, according to reports, was involved in security police activities to sway labour legislation in

GERALD REILLY

favour of government" being involved in the negotiations.

Against this background the group supported the commission's decision to terminate Pienaar's services.

His involvement in the negotiations for new bargaining legislation could have raised doubts about the legitimacy of the parties involved in the process and in the final form of the legislation.

The commission explained that it had been unaware of Pienaar's "other involvements".

Had it been it would not have employed him.

Negotiations, the group spokesman said, would continue and the aim was a draft of the legislation before the year end.

REUTERS

Jobs shock: 7 out of 100 can find work

24 OCT 1991

(335)

Arg 19/10/91

Unemployment is out of control

TOM HOOD

Business Editor

UNEMPLOYMENT is getting out of control, with only seven out of every 100 job-seekers entering the labour market in the past five years finding full-time jobs.

These are the chilling facts reported by Sanlam in its October economic survey. It links rampant unemployment to the poor growth in the economy since the middle Seventies.

Johan Louw, Sanlam's chief economist, says special projects to create jobs could help — for instance, the 59,000 new job opportunities resulting from the extra government expenditure of R1 mil-

lion on social and economic infrastructure.

But the unemployment problem is too serious to be solved by such measures. A solution will only be reached by a drastic increase in the rate of economic expansion, Sanlam says.

If the independent national states were included, the situation would look even worse.

Job opportunities grew by almost 4 percent during the Sixties but declined to 1,2 percent in the Eighties. The number of people looking for work in the eighties had, however, increased by 2,3 percent.

The survey also commented:

■ Economic growth: "Indications are that South Africa's long awaited recovery phase is on hand, but the prospects for a strong upswing are not good. "A slow

recovery is expected for 1992/3, with a real economic growth rate of about 2 percent. South Africa had a negative growth rate of 0,9 percent in 1990, and negative growth of around 0,6 percent is expected for 1991."

■ Balance of payments: "A surplus of R5 000 million on the current account of the balance of payments is estimated for the year.

"It is likely to be considerably smaller next year, but the lifting of sanctions and a possible improvement on the capital account should ensure a rising trend in foreign reserves."

■ Interest rates: "No decrease in the bank rate and in banks' prime overdraft rates is expected for the rest of the year."

■ Inflation: "Despite the severe recession over the past two years, no real dent has been made in the inflation

rate. Monetary discipline is no longer sufficient. A wider campaign against inflation is needed.

"This should include strict control over the growth rate of government spending, more moderate increases in wages and salaries, better training for the labour force, increased competition for goods and services, a better balance between saving and consumption, with positive real interest rates.

Sanlam expects the inflation rate to remain above 15 percent for the next six months as a result of VAT, fuel-price increases and higher excise duties. An average inflation rate of more than 15 percent is expected for the entire year, and an average of 14 percent for 1992.

A decrease is expected as from the second quarter of 1992, to reach about 12 percent at the end of next year.

ICL SA lays off staff, keeps up market share

Business Times Reporter

SOUTH African computer 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 15% to 20%, the figure for 1991 should be about 5%. Hurt bottom lines have been hurt, forcing wholesale layoffs. One company alone shed 40 000 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 slips

"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 computer 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 five 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 15th 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."

mystery

cient, it would be difficult to retrench the staff.

Mr Clogg 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 RSCs received interest income of R147-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.

Rusfurn

So Rusfurn returns to the Sankorp fold it left two years ago. Sankorp has 90% of Senbank parent Bankorp and until a week ago controlled Tradegro, which sold Rusfurn in 1989.

Over 200 retired people teach business for SBDC

Blom
29/10/91

THEO RAWANA

ABOUT 225 retired business people have joined the SBDC since 1985 to teach business skills in the small and medium enterprise sector, SBDC MD Ben Vosloo said in a statement. (335)

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.

Shock figures on unemployment

Star 20/10/91

THE unemployment problem is getting out of control, with only seven out of every 100 jobseekers entering the labour market in the past five years finding full-time jobs, Sanlam warns in its October economic survey.

This is linked to the

poor growth in the economy since the mid-70s, says Johan Louw, Sanlam's chief economist.

Special projects to create jobs could help — for instance, the 59 000 new job opportunities resulting from the extra government expenditure of R1 million on social and economic infrastructure.

But the unemployment problem is too serious to be solved by such measures.

A solution will only be reached by a drastic increase in the rate of economic expansion, Sanlam says.

If the independent national states were in-

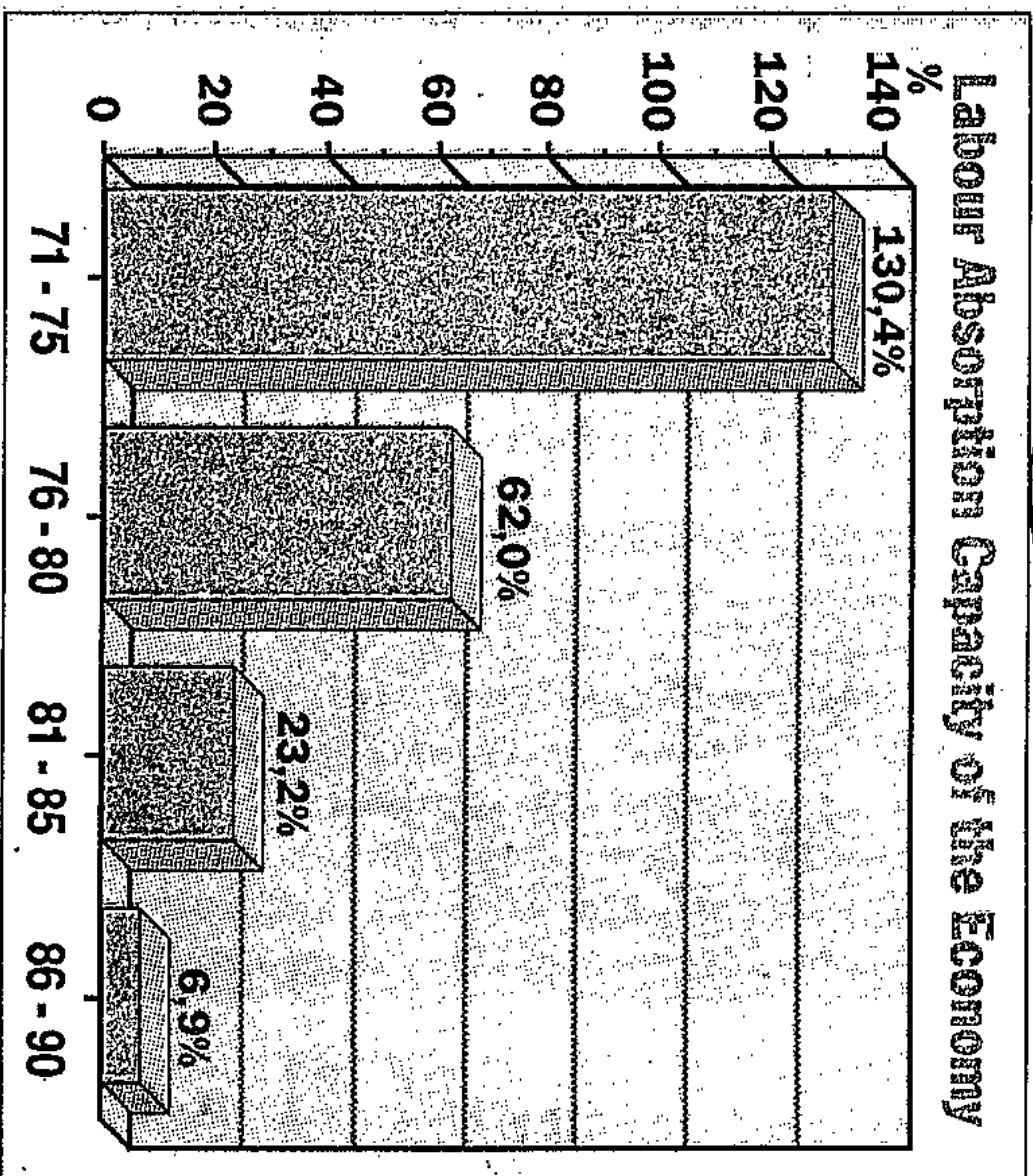
cluded, the situation would look even worse.

Job opportunities grew by almost 4 percent during the '60s but declined to 1,2 percent in the '80s. The number of people looking for work in the '80s had, however, increased by 2,3 percent.

The survey commented on various issues:

Economic growth: "Indications are that SA's long awaited recovery phase is on hand but the prospects for a strong upswing are not good. A slow recovery is expected for 1992/3, with a real economic growth rate of about 2 percent. SA had a negative growth rate of 0,9 percent in 1990, and negative growth of around 0,6 percent is expected for 1991."

Balance of payments: "A surplus of R5 000 million on the current account of the balance of payments is estimated for the year."



"It is likely to be considerably smaller next year, but the lifting of sanctions and a possible improvement on the capital account should ensure a rising trend in foreign reserves."

Interest rates: "No decrease in the bank rate and in banks' prime overdraft rates is expected for the rest of the year."

Inflation: "Despite the severe recession over the past two years, no real dent has been made in the inflation rate. Monetary discipline is no longer sufficient. A wider campaign against inflation is needed. This should include strict control over the growth rate of government spending, more moderate increases in wages and salaries, better training for the labour force, increased competition for goods and services, a better balance between saving and consumption, with positive real interest rates."

Sanlam expects the inflation rate to remain above 15 percent for the next six months as a result of VAT, fuel-price increases and higher excise duties.

An average inflation rate of more than 15 percent is expected for the entire year, and an average of 14 percent for 1992.

A decrease is expected as from the second quarter of 1992, to reach about 12 percent at the end of next year.

● **Experts stumped by jobless crisis — P7**

Experts Stumped by jobless crisis

Duma Gqubule

Star 20/10/91

AFTER eight hours discussing the unemployment crisis this week, experts on the subject could only decide there was no "quick fix".

The conference organisers, the University of Stellenbosch's Economic Project and The Institute For African Alternatives, had hoped for a solution. But the experts and the audience seemed to come to the conclusion that there was no easy way out.

Stellenbosch University economist Servaas van den Bergh outlined the crisis: out of a labour force of 14 million people, eight million have jobs in the formal sector.

Of the six million without employment in the formal sector, between 750 000 and a million eke out an existence in subsistence agriculture and between 2,5 million and 3 million are involved in the informal sector.

This leaves about 2,5 million unemployed in the conventional sense.

Professor van den Bergh said the only solution was economic growth. Not much can be done about reducing the rate of population growth and even if something was done, the effects would be felt only in 20 years' time.

Also, very little can be done to alter the country's abnormally high level (for a developing country) of capital intensity. So economic growth, and lots of it, is the only solution.

Professor Roux said it would take many, many years of rapid economic growth to draw the six million people out there who desperately need jobs into the formal sector.

Professor van den Bergh observed that the labour force was growing at 2,8 percent a year — which means an economic growth rate of about 5,6 percent is required to merely hold unemployment at its present level.

The last time the economic growth rate

came close to this figure was in 1981 and before then in 1974, when the growth rate was 7,1 percent.

"The medium-term prospects for such high rates of economic growth are not good, so growth will not solve the problem in the

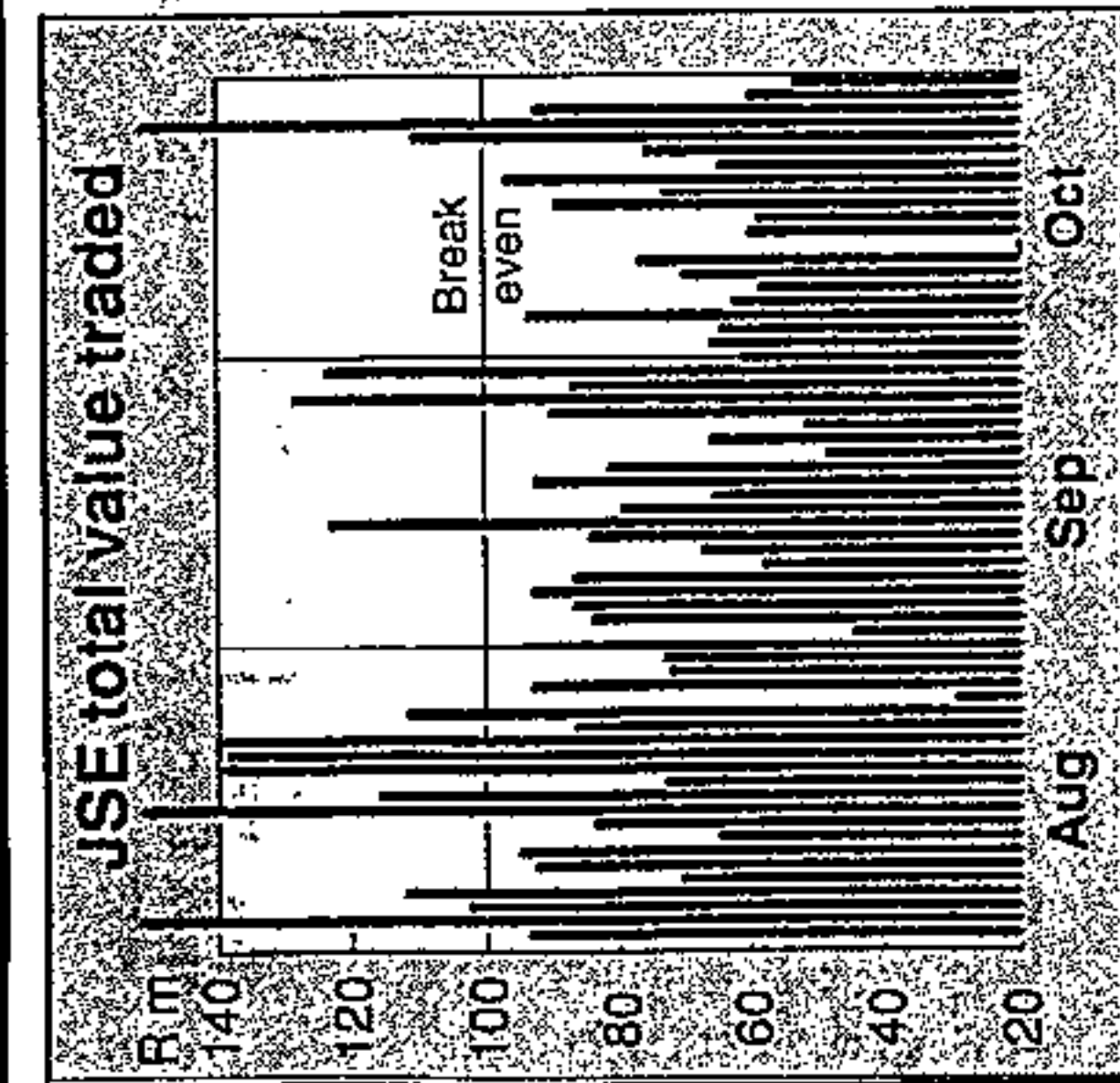
foreseeable future," he said.

"There is a need for measures apart from economic growth to confront the crisis," he said.

Professor Roux said a housing programme was one possibility, but he doubted whether the

employment effects would be significant.

Appropriate measures to support subsistence agriculture was another suggestion — but the overall effect on soaking up the unemployed would be limited, he said.



Dismal JSE trading raises spectre of

THE JSE ended another trading session yesterday barely above its break-even level, deepening the gloom among stock-broking 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

ROBERT GENTLE
and MERVYN HARRIS

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."

retrenchments

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 Freeman.

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 stock-broking 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 Roy, 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.

Wanted: jobs for millions by year 2005

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ARG 30/10/91

THE new South Africa will face enormous challenges, not least soaring unemployment. Labour Reporter SHARON SOROUR investigates

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 S A (Imssa).

Registered unemployment creates a distorted impression.

Statistics show the number of registered unemployed people (excluding the homelands) dropped from 119 280 at the end of September 1988 to 117 108 people in 1989, comprising 72 533 Africans, 18 417 coloureds, 6 695 Indians and 19 462 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 1960. 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 2,7 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.

240 000 rely on Unemployment Insurance Fund

SHARON SOROUR
Labour Reporter

FATHER-of-four Mr Peter February of Maitland is one of 240 000 people nationwide who rely on the Unemployment Insurance Fund.

He has been without work for more than a year after being retrenched from an engineering company where he worked as a labourer.

His wife had a job as a domestic worker but she is also unemployed. She stays at home to look after the children.

"I was desperate when I signed on for the UIF. I didn't have any money. I have drawn almost all my cheques but I cannot find work," said Mr February.

But it's not easy to find a job in these tough economic times, says Mr Jonathan Plaaitjes of Walmer Estate.

He was retrenched by a building firm two months ago and is struggling to support his wife and four young children.

"I have been all over town looking for work without success. If my wife works, who is going to look after the children?" he asked.

Mrs Patricia Couert, a divorced single mother from Faccerton, has collected three UIF cheques from the Department of Manpower's offices in

the Thomas Boydell building. She worked in a factory as a clothing examiner for three years but had to stop working to look after her two-year-old daughter Nikita.

"It is quite tough. I can't really live on the money, which ranges from R200 to R300 a month, as I am divorced and am supporting my daughter all on my own," she said.

She finds herself in a Catch 22 situation — she cannot go out to work unless she finds a baby-sitter, but cannot pay a baby-sitter until she finds work.

About R100 million is being paid out each month as more and more jobless people dip into the fund.

According to the latest statistics, claims for Unemployment Insurance Fund benefits have increased by 50 percent since last July to between 58 000 and 61 000 throughout the country.

The fund paid out a record R803 million in benefits in the first eight months of the year — a 45 percent increase on the R553-million payout from January to August last year.

The Western Cape has the quickest payout system in South Africa, according to Department of Manpower regional director Mr Wille Marais.



Pictures: HANNES THIART, The Argus.

NO WORK, NO PAY: Mrs Patricia Couert of Faccerton holds her daughter Nikita, 2, who she single-handedly supports with the help of Unemployment Insurance Fund cheques.



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JOBLESS: Mrs E de Bruin with her four-year-old twins Angelic left, and Iceselino, is still trying to become eligible to draw from the Unemployment Insurance Fund.

Jobs still scarce, says Stellenbosch

Business Staff

(335) ARG 31/10/91

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 1985 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

Sowetan

31/10/91

By MATHATHA
TSEDU

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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 Phineas Mmethi, 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 Mmethi'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.

LABOUR

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 1,3-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 Zulu offers a helping hand

By DREW FORREST

LOOKING for casual labour to tide your business over next week's stay-away? Contact Prince Russell Zulu, member of the Zulu royal family and Inkatha Freedom Party representative on the West Rand.

Zulu, who told *The Weekly Mail* his father was "brother to our king's father", has sent a circular letter to Reef employers in the name of the IFP, offering "well-disciplined and hard-working people" to assist them during the general strike on Monday and Tuesday next week.

The Weekly Mail possesses a copy of a letter, issued by Zulu's Krugersdorp office, which warns that the stayaway will "cripple the economy and increase the number of unemployed in our country."

"Our hand of peace and friendship is open to all employers who need our help," it says.

During an interview, Zulu said the free service was for all workers, not simply Zulus and IFP members, who had "lost their jobs as a result of strikes and sanctions".

However, the IFP would accept voluntary donations from people who found employment.

Although he declined to name them, he said some employers had responded favourably.

Zulu declared that the scheme had been endorsed by the IFP's Transvaal secretary, Humphrey Ndlovu.

This was denied by party spokesman Peter auf der Heyde, who said Ndlovu had only endorsed a proposal that transport be provided for workers wishing to work during the stayaway.

The IFP warned in a statement yesterday that stayaway action could heighten tensions.

Reacting, Congress of South African Trade Unions press officer Neil Coleman said Zulu's offer appeared to form part of a larger pattern, in which the IFP lured jobless Natal workers to the Reef on the promise of employment.

Reports had also reached Cosatu that Inkatha's Transvaal youth leader, Themba Khoza, was running an employment agency, Coleman said.

Rejecting the allegation as "absolutely ridiculous", Khoza said: "Unemployed people come to the Reef by themselves; we don't encourage them."

He said he knew Zulu — the prince was in fact his cousin — but knew nothing of his offer to employers, which was not official Inkatha policy.

The government had erred in the way it had implemented VAT, Khoza said in a lengthy statement yesterday. Ordinary people should have been more directly involved in formulating Value-Added Tax policy.

However, he called on Cosatu to rethink the stayaway, arguing that it could "irresponsibly" derail political negotiations.



Prince Russell Zulu is ready to supply labour during the stayaway

Photo: KEVIN CARTER

Row cripples Inanda stables

AN EXCLUSIVE Sandton club long associated with the "horse" elite has been forced to close its stables and retrench its grooms because of a row over pay.

Members of the mink-and-manure set who were paying R700 a month for the luxury of stabling their mounts at the Inanda Club will now be forced to take their horses elsewhere and the grooms will have to look for new jobs and housing.

The chairman of Inanda Club stables committee, David Lowry, says the stabling facilities became unprofitable because of the wage demands by the grooms' union.

"We have been forced out of business because of the union's attitude. I think it's disgraceful — some of these stable boys have been here for years.

Mink-and-manure set thrown by union demand

Star 2/11/91
STAFF REPORTERS

The pressure put on them is such that they cannot stand up for themselves."

But the grooms were adamant that they would rather leave their jobs than their union. One worker who would not be identified, said: "Our situation has improved tremendously since we joined the union."

Mr Lowry said that since the club became unionised last year, waiters and grooms had all received the same minimum wage. "We asked for a sep-

arate deal for our grooms and warned the union that, if they insisted on a pay increase across the board, we would be out of business."

The final nail was put in the coffin last month, said Mr Lowry, when the union insisted on an across-the-board 27-percent increase.

"We have tried to talk sense to the union and we made it clear we could not afford to give our stable hands the same pay as our waiters."

"A waiter needs more education and knowledge than a stable hand. Common sense dictates that you cannot give them the same pay."

Workers insisted that they could

not live on the "meagre" salary of R575 and said they had decided on their own to demand an increase.

However club manager Christian Girard said the 12 workers were being intimidated by "two or three grooms who did not care for their jobs".

"The stables lost R75 000 last year. We can't keep the stable and give the grooms the same salaries as waiters as the union demands," he said.

The forced closure of the Inanda stables has also meant the retrenchment of stable manager Des Jenkins and his assistant Sharon Rogers. They have been given notice to quit and are looking for alternative employment.

While neither the polo horses nor shows would be affected, the only hope for the 54 stables was to put them out to private tender, said Mr Lowry.

Evidence points to a worsening situation over the next 15 years, writes Mike

Siluma

Jobless timebomb ticking

Star 4/11/91

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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.

- Armscor'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 Servaas 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 yet to meet someone who believes that we will, 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 SA Trade Unions and the National Council of Trade Unions, which have been at the forefront of the battle for a "living wage" for workers.

Cosatu is presently formulating its policy on the whole issue of job creation, and may well make it a prerequisite that the workers involved in such schemes have the right to co-determine the wage and nature of the projects.

Meanwhile, Professor van der Berg cautions: "It is important to draw community organisations into employment-creation projects ... to give them legitimacy. At the same time I don't think we can afford to wait until the political transition is completed. The problem is too urgent.

"It would be very useful if unions, employers and the State would get together to try to find a solution. The withdrawal of Cosatu from the National Manpower Commission will, unfortunately, make this difficult." □

away

EXECUTIVE RETRENCHMENTS

No help wanted

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.

cont - D

FM 8/11/91

Edwin Basson, head of the SBDC's information bank, says many have opted to start their own businesses: "The pace of applications we're getting from people wanting assistance to start on their own is hotting up. It's a fact of life that the number of applications we get increases whenever 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 terribly choosy. They perceive, wrongly, that there are lots of 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 grew 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 complements 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 Seifsa says factories and engineering workshops are holding on to 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 Esterhuyse 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, includ-

ed 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".

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Sage Life products to help jobless during retrenchment

SAGE LIFE had launched two products against personal loss from retrenchment, MD Morris Bernstein announced on the weekend.

Bernstein said a new short-term insurance company — Sage Specialised 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 861 a month.

B/Dag 11/11/91
SEAN VAN ZYL

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 remuneration 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. (335) (20)

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.

5000 ten 14/11/91
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.

BUSINESS

Govt told it must act to save jobs in furniture industry

6/10/91 14/11/91 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 11,2%, 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 Stothert 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 16% and interest charges of 20%-29%".

Stothert said ITC's Johannesburg

GERALD REILLY

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 45 800 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.

● See Page 11

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 downswing 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 Don 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 10% 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.

SEAN VAN ZYL

Major sectors cut 112 000 jobs

GERALD REILLY

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. *B12ay 15/11/91*

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 637 561.

The next biggest loss was in manufacturing, where 33 300 jobs disappeared, reducing total employment to 1 425 922.

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 11 000 between June last year and end-June this year, when the total number of jobs was almost 735 000.

Retail trade employment dropped 5 136 to 361 845, wholesale trade personnel numbers fell 1 782 to 210 415, hotel workers figures lost 2 702 to 45 197, and in the motor trade, 1 270 jobs were lost, bringing the total down to 117 392.

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 to seek 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 5 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 Malbak. It bought a 69% stake in the company from Federale Volksbeleggings last month.

Emotions were running high this week 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, no radical changes would be made and all matters would be discussed with workers.

The subsequent appointment of Dirk Jacobs, chief executive of Kanhym, 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, protraction caused uncertainty and stress among the staff, so I decided to take the retrenchment decision on November 5.

"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 R6-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 R1,2-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 Niels Kilian, finance director of Kanhym.

The second phase will involve the merging of Fedfood and Kanhym. It should be completed next year.

One company will be delisted after the merger. Share prices ruling at the time will depend on which one remains so as not to prejudice minority shareholders, says Mr Jacobs.

ST Times
(6455)

Base

Employees 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 Kanhym around from its disastrous results in 1983. 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.

Hotel staff retrenched⁽³³⁵⁾

JOHANNESBURG. — More than 300 Western Cape workers at the Southern Suns-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 Saccawu had suggested retiring some workers instead.

A Southern Suns-Holiday Inn spokesman, Mr Steve Lonie, said the economic downturn in the hotel industry had forced the reduction of staff. — Sapa

CT 29/10/91

Temporary jobs

Sowetan 18/11/91
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 Diepkloof 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, Diepkloof, tomorrow at 8am. Identification and proof of residence are required.

~~335~~ 335
**New corps for
youth mooted**

Staff 19/11/91
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 Bankorp in the November edition of its Econovision 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.

picked up at his Mokgakose Street home after the attack. He said two men had ar-

Police have opened murder dockets and are investigating.

Searching for firearms . . . a policeman uses a portable

We'll halt tennis finals - Azapo

By Dave Beattie 19/11/91

The Azanian People's Organisation is planning to stop the Standard Bank ATP Tour World Doubles Finals scheduled to start at Ellis Park in Johannesburg tomorrow.

Speaking at a press conference convened by the SA Council on Sport-aligned Tennis Association of SA (Tasa), Azapo spokesman Fundile Mafongosi said: "We will use all the means at our disposal to ensure the World Doubles is a non-starter."

The Pan Africanist Congress also showed strong support for Tasa.

Tasa, which on Saturday held two demonstrations at Ellis Park where the players were practising, and one at the players' hotel, planned more demonstrations and pickets, but said there would

be no violence.

Yesterday, however, Fitzeroy Ngankana, of the PAC's department of culture, sports and recreation, said: "We still go along with that (non violence). But there are no guarantees."

Tasa refuses to recognise the new controlling body, Tennis SA, claiming there cannot be unity when only two (SA Tennis Union and SA Tennis Federation) out of three bodies merge.

They claim it is no more than a takeover by a white union.

Tasa claims the SA Tennis Union is interested only in world participation and that the federation agreed to lift the moratorium. In return its president, Chris Ngcobo, would become president of Tennis SA.

Tasa also attacked the

sponsors for putting up more than R3 million for the tournament — money which they say could have been better used for redressing the country's imbalances.

"As you can see, we are absolutely opposed to the tournament," said Stan Gu-mede, a vice-president of Sacos and Tasa.

Reacting to the threats, Tennis SA secretary-general Moss Mashishi said: "I think Tennis SA enjoys a great deal of support from our people in the sports community. So we do not anticipate problems."

A Standard Bank spokesman said: "All this is really going over the top. The tournament price is the market price."

"One newspaper places us among the top seven companies in the country in the area of social investment."

New corps for youth mooted

19/11/91

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 Bankorp in the November edition of its Econovision 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

3/10 Aug 19/11/91
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 Econovision.

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 1990, 90% of them below the age of 30. This is forecast to increase to 5-million by end-1992 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

ANDREW GILL

percentage point increase in VAT and a decrease in expenditure on less productive forms of spending.

Bankorp chief economist Nick Barnardt ruled out increasing the deficit before borrowing or increasing company or personal tax rates to finance the programme.

Barnardt pointed out this was not an entirely new concept but rather a development of other scenarios.

The programme would have to supplement sustained employment growth through dramatic export growth, aiming at doubling non-gold exports every five years.

□ To Page 2

Bankorp

3/10 Aug 19/11/91
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 programmes 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 sanitary services, countering 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.

● See Page 3

□ From Page 1

Unemployed youths told to ask Mandela for vacancies

Sowetan
21/11/91

335

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 Baldwin Mphahlele (19) both of Moletsane 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.

Rise in unemployment

US UNEMPLOYMENT claims rose by 45 800 to 473 600 during the week ended November 9, the labour department said in Washington yesterday. The increase brings the four-week average to 443 000 initial claims, compared with an average of 432 750 claims during the four-week period ended November 2. (335)

REPORTS: Business Day Reporter,
Own Correspondents, Sapa, AP-DJ.

B/day 22/11/71

Sanlam pessimistic about job prospects

star 22/11/91

Finance Staff (335) 

The expected economic upswing in 1992 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 1985-90.

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 \$362 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

SI Times (B455) 17/11/91

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 R4 000 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 150% 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 posts 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 R3 861 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 34% of eligible people questioned said they would include Job Loss cover in their financial planning and another 38% said they would consider 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 R803-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



MORRIS BERNSTEIN: Retrenchment opens a market niche

will lag behind the economic recovery.

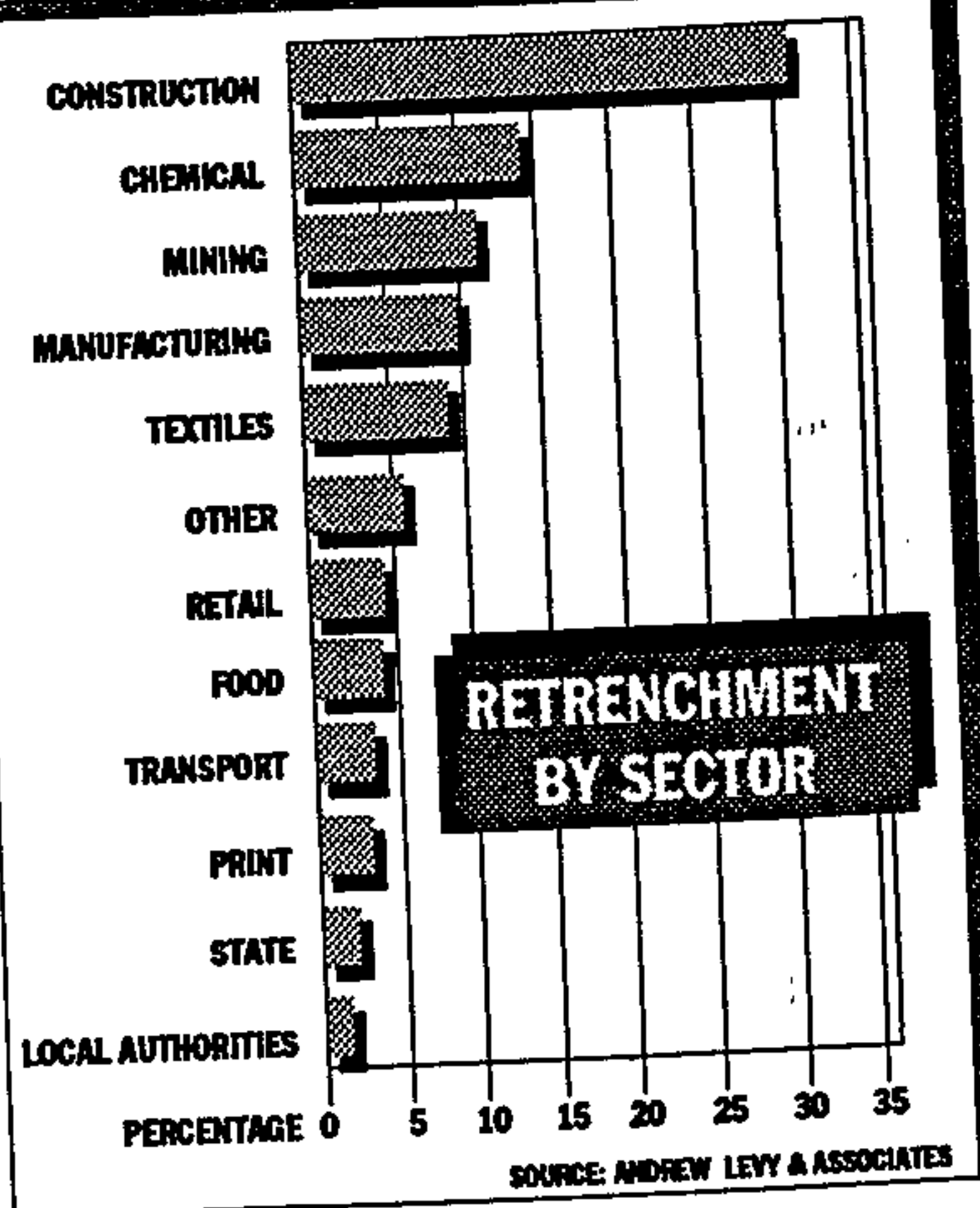
The Job Loss policy will provide R2 400 a month for six months for a monthly premium of R84 or the same amount for a year for a monthly premium of R132. Monthly pay-outs are limited to R12 000.

The BondPayer policy will provide R1 000 a month for six months for a premium of R35 a month or R1 000 a month for a year for a monthly premium of R55.

Tractors speed up

SI Times (B455) 17/11/91
A RUSH to buy tractors after the introduction of VAT lifted sales to 484 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

SITimes [cm] 24/11/91

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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 45-year history."

Old Mutual in its latest economic forecast says the level of employment in the mining, manufacturing and construction sectors has reached its low-

est level since the early 1980s.

However, retrenchment is not restricted to these categories.

"For the first time in post-war history, being skilled gives 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, draughtsmen, architects, general managers, advertising and personnel executives.

"Retrenchment is now a reality at all levels and an analysis of company reports show 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 IGI.

"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 861 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 R84 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 R132.

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 R55 a month.

Middelburg Steel HQ under fire

Top staff face axe

S/Timey (BUSS) 24/11/91

By IAN ROBINSON

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,

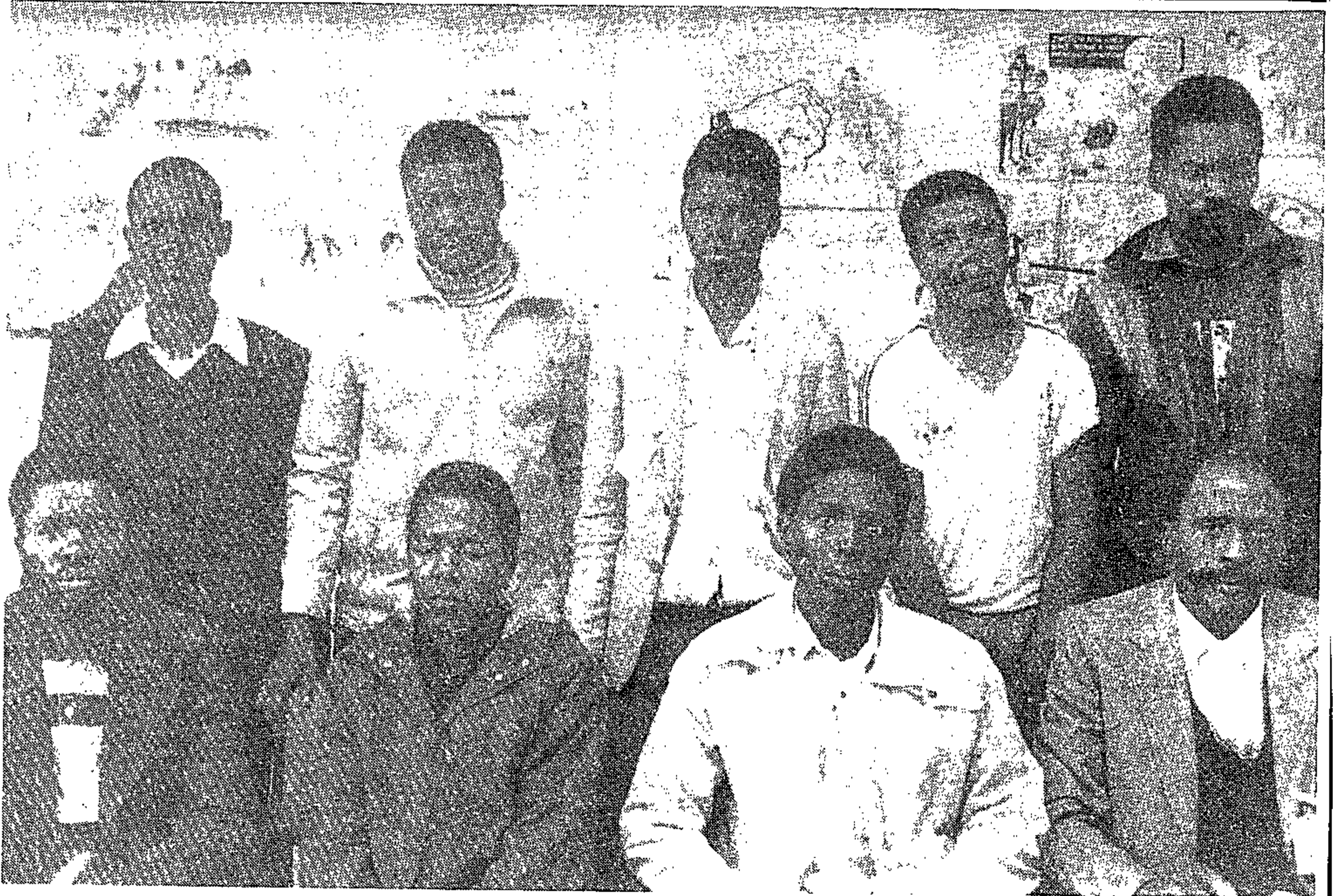
which is to be incorporated in Columbus and Gencor's ferroalloy producer Samancor.

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 Gomersal who is also a member of the Barlow Rand board. Mr Gomersal 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 Gomersal. 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. ■ Pic: SIPHIWE MHLAMBI

WHEN Krugersdorp boss Melchior 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

Fired Xhosas go to Mandela

C/PRES 24/11/91
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.

"He 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.

Readers' Hotline



Helping you with your problems

□ PO Box 548
Kengray 2100

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, if 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 (2% black and 5% white).

SA needs to double the number of entrepreneurs and aim for 17%.

An analysis of registered unemployment shows fewer than 100 000 people, but it is far from being accurate. But

Jobs for only 7% of this year's matrics

335 ~~335~~ ~~335~~ ~~335~~
S/TIMES (BUSINESS) 24/11/91

it provides a guide to employment trends.

Dr Basson says 32% of unemployment is among operators and semi-skilled people. Unskilled people form 27,6% 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 200 000 managers, saying: "That presupposes the pre-

sent 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

Sowetan
25/11/91
335

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 did not mean to hurt them. I was trying to tell them that my company did not have jobs."

Spotlight on SA's employment crisis

Southern

28/11/91

335

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.

By JOSHUA RABOROKO

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 654 workers from four Armscor subsidiaries — Somchem, Overberg testing range, Swartklip and Houwteq — 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, Armscor has announced.

Already about 5 000 Armscor 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.

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CT 30/11/91

More jobs at risk in ailing textiles

S/Times (BUS)

1/12/91
Business Times Reporter

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 tex-

tile 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 the 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.

Afcol managing director Keith Roger-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

S/Times (BUS)

11/12/91
Business Times Reporter

MORE layoffs are predicted for the hard-hit textile industry in the new year.

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Unemployment to rise says Sanlam

Sowetan
2/12/91 . 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 Armcor subsidiary

B 1200 3/12/91 (335)
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 Armcor 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 Armcor's rationalisation programme, the spokesman added.

In September Armcor

VERA VON LIERES
and LINDEN BIRNS

chairman Johan van Vuuren said 5 000 employees at Armcor 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 10 000 Armcor employees have lost their jobs in the past two years after cuts to the national defence budget.

Kentron was incorporated into Armcor in 1978.

Work for fewer than one in 10

Matrics facing huge jobs famine

STAR 3/12/91

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.

The employment scramble came with estimates that the entire formal business sector will have fewer than 40 000 jobs on offer as the recession cuts down the demand for labour.

The predictions are bound to dampen the jubilation of 1991 matriculants as Transvaal schools close 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, Sacob 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 Std 8 or 9 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.

"South Africa needs 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 on its own," he said.



Fresh faces in fight against crime ... some of the more than 1 000 recruits who completed their six-month training course yesterday.

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.

"I am not afraid to work in unrest situations, because of our training, but I will be there to protect everybody — no matter who they are," Constable Manzi said.

Thandi Ndaba (26) from Kagiso agreed that her job would be made more difficult

MICHAEL CHESTER, Business Staff

NINE out of every 10 new matriculants will not be able to find jobs, according to shock economic surveys.

Forecasts of a dramatic employment scramble came with estimates that the whole formal business sector will have fewer than 40 000 jobs on offer as the recession cuts the demand for labour. More than 400 000 matriculants will be job-seeking in the new year.

The predictions cast dark clouds of gloom over the 1991 crop of matriculants to spoil the jubilation as Transvaal schools today ended their last term and closed for the longer summer holidays.

The bleak outlook for job-hunters has been drawn by researchers at the South African Chamber of Business and the Small Business Development Corporation.

SBDC senior economist Dr Edwin Basson warned the formal sector had employment opportunities for "less than 10 percent" of the new job-seekers.

Even worse, Sacob chief economist Dr Ben van Rensburg feared the number of vacancies would cover only 7 percent of all new matriculants — "and prospects may not improve until we start pulling out of recession later next year."

Both agreed the jobs famine would be even worse for school-leavers who had reached no higher than Standard 8 or 9.

"The new crop of school-leavers will also be in fierce competition with tens of thousands of youngsters who streamed onto the labour market a year ago and still stand in the unemployment queues," added Dr Basson.

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.

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 Charl 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, busk 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 rejuvenate 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.

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ARG 3/12/91

Matric jobs shock

TRANSVAAL NEWS

5 000 Armcor workers to go by April

ARG 4/12/91
The Argus
Correspondent

PRETORIA. — Armcor has confirmed that 5 000 employees are to be retrenched by April next year, ending uncertainty which began in October when the intended cut-backs were announced.

An Armcor spokesman said yesterday the staff reduction was part of the company's rationalisation plan and all those affected had been informed.

Armcor 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 Armcor spokesman said yesterday the number was only "about half" that.

The latest retrenchments bring to 15 000 the number of staff laid off from Armcor and its subsidiaries since 1981. A further 30 000 jobs have been lost as a result of cuts in defence spending, many at Armcor's contractors.

Facing up to the jobs famine

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SAT 4/12/91

Most of the 1991 crop of school-leavers will have great difficulty in finding jobs. Economists believe radical new approaches must be started to find solutions to the unemployment dilemma.

By MICHAEL CHESTER.

DISCLOSURES about the unemployment dilemma that faces the vast majority of school-leavers has turned the focus on to the phenomenon of a massive shrinkage in new job opportunities offered by the formal business sector in recent years.

Concern has been sharpened by the fact that disclosures on the dramatic scale of the problem coincided with the end-of-year closure of Transvaal schools yesterday and the start of a new tidal wave of fresh arrivals on the jobs market.

Both the South African Chamber of Business and the Small Business Development Corporation (SBDC) voiced fears that less than one in every 10 of a nationwide total of 400 000 new matriculants were likely to find vacancies waiting for them in the formal sector.

Sacob economist Dr Ben van Rensburg rang warning bells that the ratio of vacancies to school-leavers may be as low as 7 percent.

SBDC economist Dr Edwin Basson has put the problem under the microscope and traced how the jobs shortage has been steadily worsening for more than two decades.

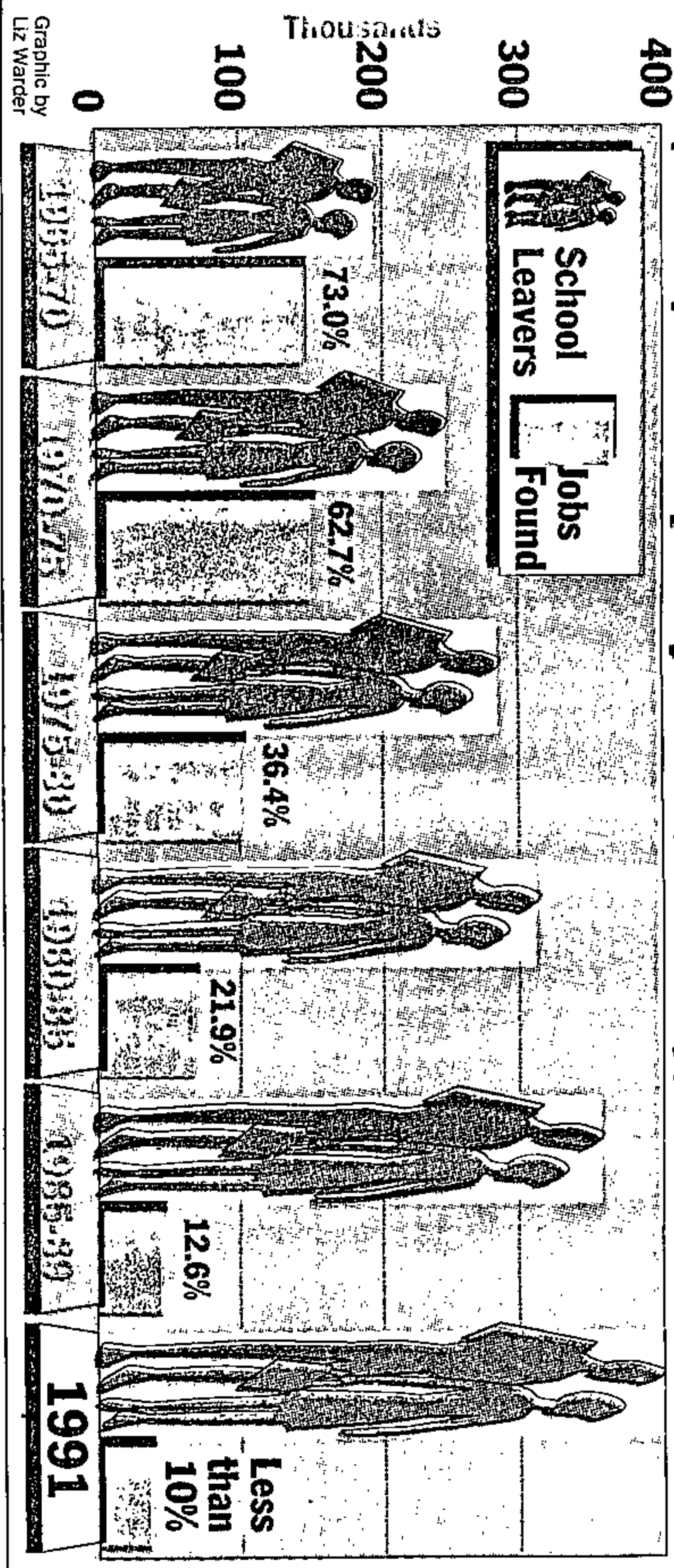
The issue has inevitably been aggravated by the population explosion. As the number of jobs has shrunk, the number of new matriculant job-hunters has more than doubled.

The dramatic impact has been tracked by the SBDC economic research unit.

In the late 1960s, when the South African economy was rolling along quite nicely, the formal sector was able to absorb almost three in every four of 200 000 school-leavers knocking on the door each year.

Trends have worsened ever since. By the early 1980s, de-

Formal Employment Trends (Absorption Capacity of SA Economy)



Graphic by
Liz Warder

spite the gold boom, the formal sector was taking aboard not many more than one in every five of a new annual crop that had now grown to about 300 000 school-leavers.

Comes 1991 and the problem looks the worst on record. With the annual number of matriculants now running at 400 000, the formal sector is expected to have no more than 40 000 vacancies on offer at best.

At Sacob, Dr van Rensburg fears that jobless school-leavers will have to sweat it out until the economy starts pulling out of the doldrums — with luck, some time next year.

Whatever the short and longer-term reasons for the decline in new employment opportunities, the jobs famine has had at least one positive effect. It has led to the creation of a brand new economic powerhouse — the informal sector.

The informal sector in recent years was the battering ram that shook the foundations of

apartheid as it smashed down the bureaucratic barriers of regulations and red tape that held enterprise and initiative in check — and in particular a new generation of black entrepreneurs.

The SBDC, set in motion in 1980 by tobacco magnate Dr Anton Rupert, claims to have created well over 280 000 jobs out of thin air by a R1 billion programme to give kick-starts to thousands of new small business ventures — from shoe-shine stands and street hawker stalls to mini engineering factories and taxi services.

Since the development of the informal sector largely went unrecorded in official statistics, because most operations were technically illegal, a precise measure of its size is impossible. However, all economists are agreed about its vital contribution to overall economic performance.

Even more important has been its role in casting a life-

line to tens of thousands of destitute families for whom absolute unemployment would mean utter disaster.

The SBDC estimates that the informal sector has found income for no less than 3.5 million workers. That is equal to one in every four of the economically active population — between school and retirement age — and equals almost half the size of the entire labour force employed by the formal sector.

The significance of the combined potential economic clout of the informal sector has been the driving force behind moves by Sacob to set up a special Small Business Forum to encourage its further development.

One particular aim is closer links between big and small business to combine forces — very often with mini operations acting as subcontractors to supply the giant companies with

components and services of all kinds.

Sacob deputy director-general Ron Haywood is now busy behind the scenes applying pressure for the creation of a new Cabinet portfolio — the appointment of a minister of small business, following a lead taken by Britain.

Sacob has not been alone in watching the successes scored by Britain, Western Europe and by the US through the active encouragement of individual business initiative.

Most of the advanced Western industrial nations have found that the bulk of all new jobs created in recent years go to the credit of self-employment — mini businesses launched by entrepreneurs putting their talents to work on their own account.

Dr Basson at the SBDC is convinced that South Africa must follow suit.

"Until now we have been transfixed by the notion that a

job means employment in one of the established companies in the formal sector," he said.

"We need radical new thinking on how to nurture a brand new approach to employment. Ideally, the process should begin in the classroom, first with teachers becoming more familiar with the successes of entrepreneurs in such environments as our new industrial complexes — and then encouraging high school pupils to think of self-employment as a career choice all on its own.

"We need to set down our immediate basic demands in proper order — building more houses, better public transport services, turning out more clothing, footwear, foodstuffs, household appliances... the list goes on and on.

"The demands are endless. So are the opportunities for anyone with the initiative to find a niche in the whole chain of production of more goods and services." □

Arms factory axes 5 000

THE axe has finally fallen on 5 000 Armscor employees ending months of uncertainty and anguish.

An Armscor spokesman confirmed today that all 5 000 employees to be retrenched as part of the huge arms company's rationalisation plan have been informed.

Retrenched employees would be leaving in stages.

He said the last of those affected by the retrenchment had been informed on Friday.

Armscor first announced its intention to retrench 5 000 workers on October 4, sparking off speculation and uncertainty among employees fearing for their future.

Employees

One of the last groups to be informed were hundreds of employees at Armscor's missile subsidiary, Kentron, who were told of their retrenchment on Friday.

A source close to Kentron said about 600 people had left the company.

However, an Armscor spokesman said the number was only "about half" the number claimed.

The latest retrenchment of 5 000 workers brings to about 15 000 the number of staff layed 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 them at Armscor's contractors.

The retrenchment programme comes as a result of far-reaching rationalisation measures brought about to change Armscor into a viable commercial undertaking.

Armcor workers laid off

STAR 4/12/91
Pretoria Correspondent

The axe has finally fallen on 5 000 Armcor employees to be retrenched by April next year — ending months of uncertainty and anguish which began in early October when Armcor first announced its intended cutbacks.

An Armcor spokesman confirmed yesterday that all 5 000 employees to be retrenched as part of the huge arms company's rationalisation plan had now been informed.

Retrenched employees would be leaving in stages with the final personnel leaving at the end of March.

He said the last of those affected by the retrenchment programme had been informed on Friday.

Armcor 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 future were hundreds of employees at Armcor's missile subsidiary, Ken-tron, who were told of their retrenchment on Friday.

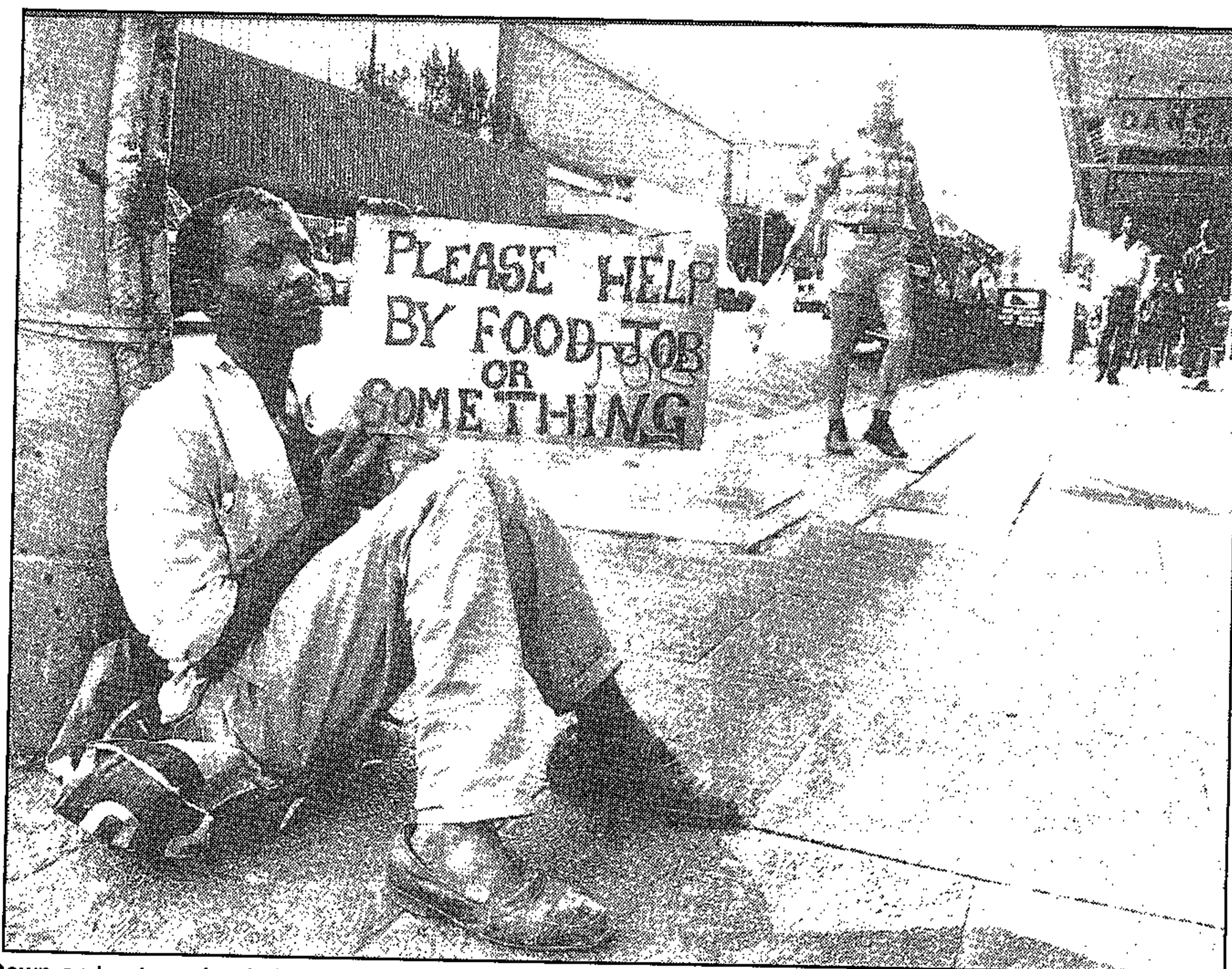
A source close to Ken-tron said about 600 people had packed their bags and left the company after hearing that they had been retrenched.

However, an Armcor spokesman said the number was only "about half" that.

The latest retrenchment of 5 000 workers brings to about 15 000 the number of staff laid off from Armcor and its subsidiaries since 1981. A further 30 000 jobs have been lost as a result of cuts in defence spending, many of them at Armcor's contractors.

The retrenchment programme comes as a result of far-reaching rationalisation measures brought about to change the huge arms manufacturer into a viable commercial undertaking.

NEWS



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. (335) STAR 5/12/91. Picture: Joao Silva

RETRENCHMENT FM 6/12/91

Buying time

(335)

Retrenchment insurance, introduced last month by Sage Specialised Insurance, has had an unexpected spin-off. Marketing di-

CONTINUED

ECONOMY & FINANCE

FM 6/12/91 (335)

rector Bruce Ilsley says competitors of Absa group, of which Sage is a member, have expressed interest in selling the product.

The reason is obvious. Banks and building societies without a comparable product do not want laid-off people handing them repossessed properties and tiresome indebtedness. A laid-off person covered by Sage would at least be able to maintain a roof over his head and cover the interest on an overdraft while searching for work.

Also, Ilsley suggests, his competitors would enjoy the commission on a product which has attracted a lot of attention.

It is also possible that other institutions are curious to see what pitfalls there might be in Sage's pioneering work. If there are any, only Sage carries the risk. The most obvious drawback is that the plan could be abused by people who do not



Ilsley

actively seek new employment, knowing that for the first year they will receive at least 60% of their previous earnings.

Though claimants for benefits under the Sage policy are obliged to register with employment agencies, the temptation to moonlight, or work in the informal sector for a while, must exist.

Ilsley acknowledges the possibility but says experience will eventually determine the rating policy. The rate at present is lower than that paid by, and on behalf of, workers entitled to UIF cover. And, in contrast to UIF cover, Job Loss premiums are tax-deductible.

So far, Sage has exposed the programme to about 1 200 intermediaries who, says Ilsley, have welcomed it. Job Loss insurance can be sold only to people not covered by UIF (earning R47 000 a year or more). So it becomes an addition to the products targeted at prime candidates for both banking services and insurance.

Sage's parallel product, BondPayer, covers bond payments. Requirements are less than those for Job Loss — a monthly pay of R2 000 suffices. Bond cover is unusual but not unique; the Job Loss policy is said to be a world first. Headhunters say it takes a laid-off executive on average one month for every R12 000 of salary package to be restored to a position commensurate to that occupied previously. So a senior manager could need a full year to climb back.

Sage has received overtures from companies suggesting group covers could be arranged. That, Ilsley says, needs some hard thinking. The opportunities for conscience-salving are apparent.

In any case, anyone covered by the retrenchment policy has to contribute a full year before qualifying for benefits. If disaster strikes in the interim, Sage simply returns the premiums. So people who think the chop is imminent need not bother to apply. ■

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.

Zibambeleni Association spokesman Claude Hogana says: "People are being laid off by the big companies and unemployment is growing.

"We encourage them to put their retrenchment cheques into some form of informal business, but the infrastructure and capital just aren't there to enable them to grow."

Zibambeleni — 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

Osizweni.

Since then its membership has grown to around 4 500 businessmen operating throughout northern Natal.

While Zibambeleni 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 Zibambeleni 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, Zibambeleni 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 suppliers.

"We also provide business training, often to people who are illiterate.

"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.

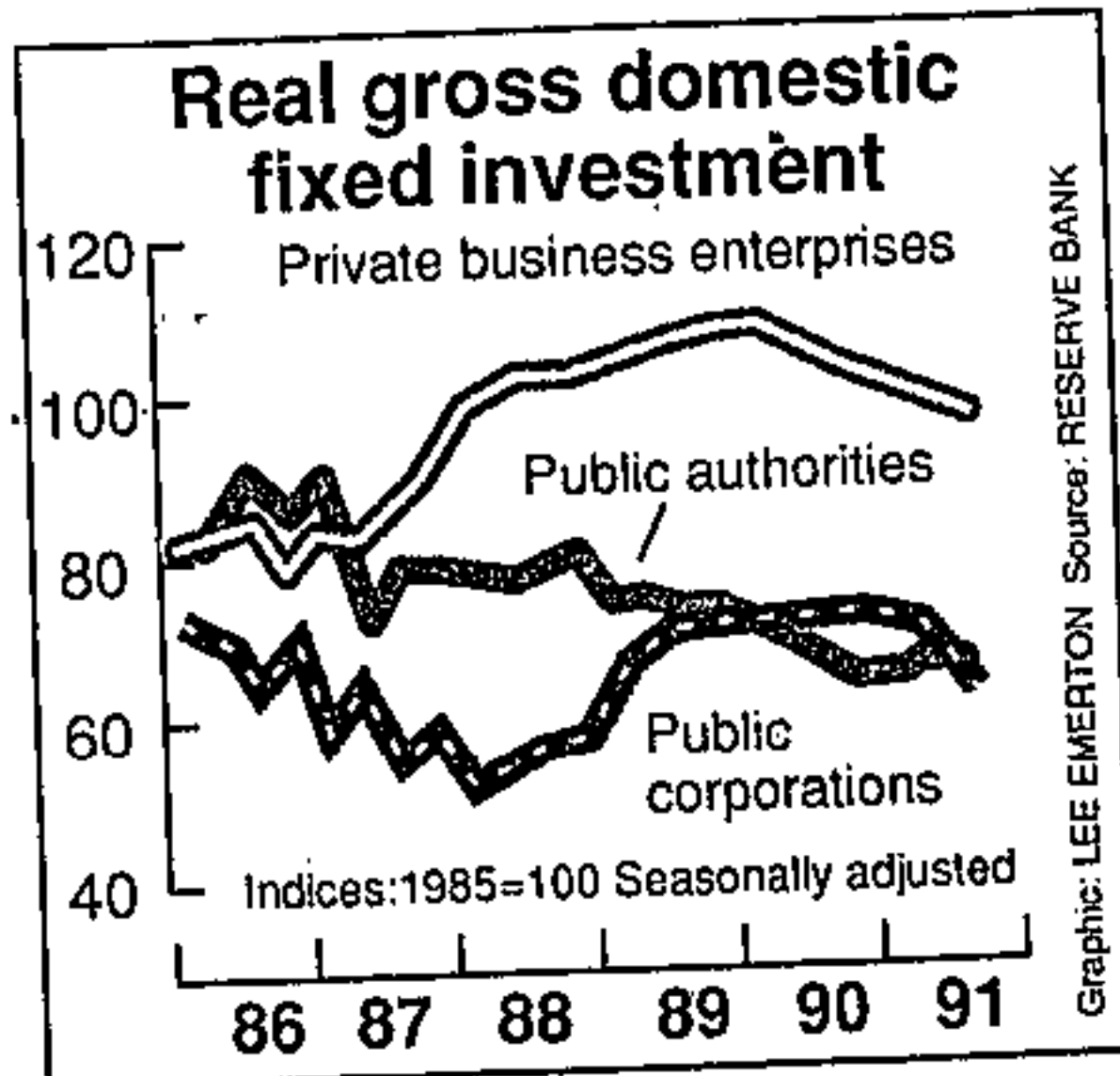
"Madadeni and Osizweni are 20km from Newcastle.

"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 stocks.

"Because of this we are looking into the prospects for providing warehouse space where our members can store their goods closer to home," he says.

Downswing decimates jobs

SHARON WOOD



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

□ To Page 2

Employment

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.

□ From Page 1

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 6% 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.

● See Page 3

~~NUMSA~~ 335
W/M/12-12/12/91
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 this week 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 — re-turned to work on Tuesday.

31 MAY 6/12/91
335

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 Boshielo said yesterday.

Attempts to negotiate a compromise on Wednesday had failed, said Boshielo.

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.

Boshielo 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, Boshielo 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. — Sapa.

4 000 steel men out on strike

By THEMBA KHUMALO

AS Christmas draws near, 4 000 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. (335)

A statement issued by the strikers claimed that the employers refused to discuss a severance package or any alternative arrangement. (335)

"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." (335)

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. (335)

Paul Gartner, 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 1 200."

Huge job, earnings losses in pipeline

ET 10/12/91

335

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 maximum rebate on the excise duty charged on manufacturers' sales would discourage motor manufacturers from extending their local content usage beyond the maximum rebate level.

National Association of Automobile Manufacturers of SA (Naamsa) director Nico Vermeulen agreed that the use of local components could drop with the introduction of new models.

Vermeulen said even with a weak rand it would be cheaper to

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 kits locally, confirmed the export deal of the new Ballade model which come 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."

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 55% and non-export earnings at 50%, which manufactur-

ers 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 expected that, combined with growing export sales, the industry would begin scaling down its true local content possibly to the statutory minimum level of 50%, 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, 7,8% exports and 37,4% true local content. Brandtner expected the true local content to drop to about 23% 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.

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 Johannes 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 appear-

ance 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 Groblersdaal office of the Department of Manpower confirmed that the six men were being assisted by his office.

By MATHATHA TSEDU

Sowetan 12/12/91



PLACARD PROTEST: UCT workers protest at the graduation ceremony in support of dismissed workers

Five UCT strikers sacked

South 12/12 - 15/12/91 ~~ST~~ ~~TS~~ ~~FS~~ (335)
By Quentin Wilson

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 dead-locks on several issues during wage negotiations. Demands included a R300 across-the-board increase and more say in the restructuring of the university.

Lectures were disrupted and burn-

ing 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 Amoore denied not consulting TGWU. "We have consulted and 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 Leshilo

Gladman Nqwiliso fears the prospect of waking up one day to find that he and his family are without a roof over their heads. (21)

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 R850 on his 5½-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.

Gengold managing director Gary Maude 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

13/12/91
VERA VON LIERES

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 4 000 workers who had been engaged in illegal industrial action at all four Highveld plants near Witbank since last Tuesday because of the retrenchments. (335)

Meanwhile, management at Iscor's Durnacol mine in Natal yesterday accepted a request by the NUM for mediation on the re-employment of 3 100 workers.

LABOUR

RECSSION and retrenchments will be the main legacies of 1991 for the labour movement. But with the strength of escalating membership, the unions also used the year to make a number of inroads into new areas.

In a year of unprecedented job losses, almost 60 000 workers were retrenched in three kingpin industries.

In Andrew Levy and Associates' end-of-year report, Erica Jancowitz writes that 35 000 jobs were lost in the metal industry and 43 545 in the mining and quarrying industries. And, according to the South African Clothing and Textile Workers' Union (Sactwu), 10 000 jobs were lost in their factories.

Unemployment now stands at between 40 and 50 percent of the economically active population and Bankorp has warned that this figure

Some gains but many job losses

could swell by 700 000 next year. "This is based on an expected decline of 80 000 jobs opportunities in 1991 and no growth in 1992," says Bankorp.

The recession is not loosening its grip and economists believe that at the earliest, an economic upswing is only expected in the second quarter of 1992.

Predictably, job security and fair retrenchment packages were high on union demands this year. Training of workers was seen as an alternative to retrenchment and training agreements were concluded in a number of industries. Unionists believe that having multi-skilled employees is a way out of retrenchments, as is training unskilled

workers.

But despite the recessionary climate, union membership is soaring. In the past 10 years, registered membership has grown by 104 percent. There are 200 registered trade unions in South Africa, with 2 750 000 members and membership of unregistered trade unions stands at 300 000. With union membership over three million, Jancowitz says, "25 percent of the economically active population is now unionised".

In 1990, union membership increased by 15,4 percent. Jancowitz attributes this to the Congress of South African Trade Unions' organising drive in the public sector and the fact that workers

in a year marked by the Inkathagate scandal and anti-Value-Added Tax mass action, union membership increased while the recession bit deeper and the unemployment queues grew longer.

FERIAL HAFFAJEE looks at 1991 on the labour front

turn to unions as a "bulwark" in times of economic insecurity.

With the move toward institutionalising labour relations, the work of the industrial courts increased significantly. In 1990, the courts heard 6 366 applications compared with 4 492 the previous year and 2 989 the year before that.

The Labour Appeal Court established in 1988 has a reputation as a conservative court, tilted in management's favour. In 1990, 110 cases were referred to the Labour Appeal Court. It overturned 22 industrial court decisions and 84 were still pending at the end of the year.

A significant development in labour negotiations is the move toward arbitration and mediation as a way of escaping lengthy and expensive litigation. In the first nine months of this year, the Independent Mediation Services handled 456 mediations and 313 arbitrations. Arbitration showed a marked increase from the 251 cases heard in 1990.

LABOUR

W1Maf 13/12-18/12/91 (335)

Labour Relations Services.

year. Jancowitz believes that with the swing toward centralised bargaining, industrial councils are likely to be resuscitated. Already an industrial council for the contract cleaning industry in Natal was established this year.

In the past decade, employers moved away from these forums fearing union domination. Jancowitz says that in the past decade, 13 industrial councils have been shut. There were 104 councils covering more than a million workers in 1981.

In 1990, the liquor and catering industry councils in three areas and the tobacco industry council in the Transvaal were closed. Only one new council has been established, in the grain co-operative industry.

If anything rocked the relationship between government and labour this year, it was the revelation that government had been funding Inkatha's labour wing, the United Workers' Union of South Africa (Uwusa). At the same time, Cosatu released the names of companies accused of colluding with Uwusa. A few months later, it emerged that government had also set up a consultancy called the Liaison Bureau for

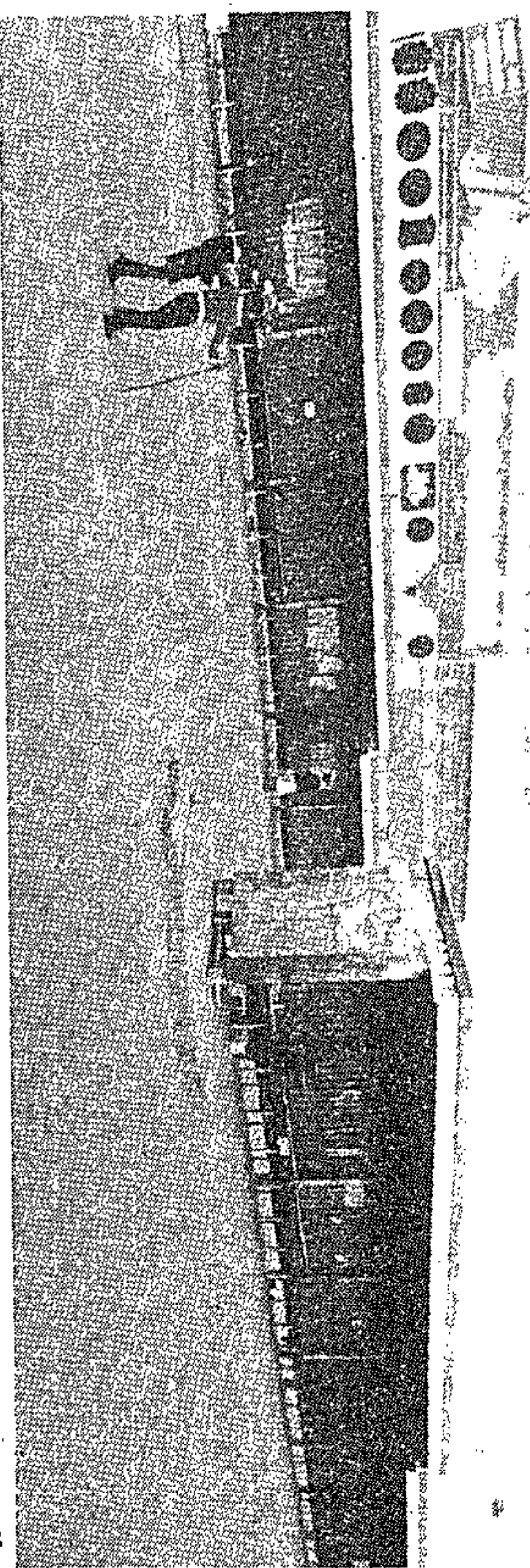


Photo: KEVIN CARTER

Deserted ... Cosatu flexed its muscles last month with a national stayaway to show opposition to government's implementation of Value-Added Tax

The call for centralised bargaining gained momentum this year with the Chemical Workers' Industrial Union citing the demand as one of the major

reasons for the strike in the petroleum sector in August this year. Sactwu is also pushing for a centralised bargaining forum in the clothing and textile

industries.

Other campaigns are by the Transport and General Workers' Union for centralised bargaining in the security industry. Although the Paper Printing Wood and Allied Workers' Union has not conducted a campaign, demands for centralised bargaining forums in the paper/pulp and print industries are likely to surface again next

No progress has been made with the legislation and the issue erupted in a war of words: Cosatu pulled out of the National Manpower Commission, accusing the government of "dragging its feet" over the legislation.

The only nation-wide stay-away called by Cosatu this year was the anti-Value-Added Tax strike on November 2 and 3. It was a resounding success — four million of the country's six-million strong industrial workforce stayed away from work. But the government shows no signs of re-opening negotiations on VAT.

Government urged to tackle unemployment

(335) ARG 13/12/91

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 hamstringing individual enterprise.

The researchers argue that the programme could easily be financed by central government and local authorities by a replanning 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 280 000 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 under-estimated the size of the informal sector in an October 1990 count that estimated its current labour force at around 2.8 million.

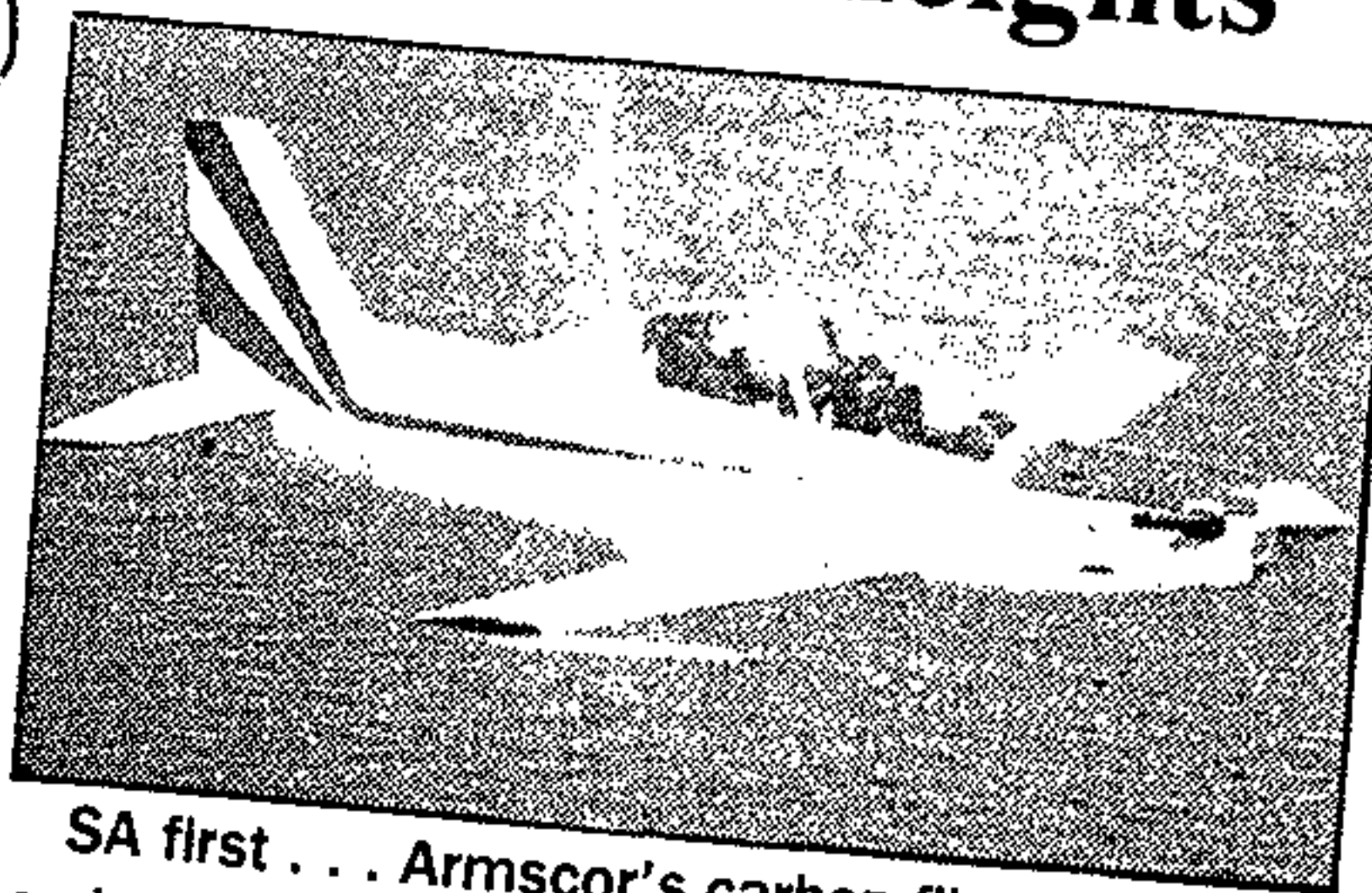
Armcor reaches new heights

By Helen Grange

Armcor 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 Armcor 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



SA first . . . Armcor's carbon fibre aircraft.

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.

The project was begun in 1986 as a result of a mutual commitment of the SA Defence Force and Armcor to making provision for future technological requirements.

Two more of Sharpeville Six to be released today

By Shirley Woodgate

Two more of the Sharpeville Six who were sentenced to death in 1986 for their part in the killing of Lekoa deputy mayor Kuzwayo Dlamini during the Vaal Triangle unrest in 1984 will be released today, said their lawyer, A Soman.

They are Reid Mokoena and Theresa Ramashamole, who were found guilty of murder with Oupa Diniso, Joshua Khumalo, Reginald Se-fatsa 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 Leeuhof 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."

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 just 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.

Retrenched miner lives on the edge

By Thabo Leshilo

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 R850 on his 5½-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.

Gengold managing director Gary Maude 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

STAR 13/12/91

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 replanning 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 (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 280 000 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 curriculums, 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 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," says 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."

ST/Time/2(Buss) 13/12/91

Samancor lays off another 400

335

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 retrenchments because no finality has been reached.

Samancor general manager, chrome, Wilrich Schroeder says "discussions with employees and employee representative organisations regarding rationalisation are under way".

Losses

Mr Schroeder 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 Tubatse.

However, shelving of the Chrome Direct Reduction (CDR) plant and, persistent losses at the low-carbon factory have aggravated the po-

By IAN ROBINSON

sition. 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 no-retrenchment policy in 1978 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 compared favourably with other ferrochrome producers.

A Middelburg employee who has been given notice of retrenchment expresses anger about Barlows' alleged indifference to the fate of its former employees. He says he feels like "a puppet on a string".

Mr Hall denies that Barlows is indifferent and says the "welfare of people who would inevitably be retrenched was of primary concern to Barlows 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 retrenchees. The employees' contribution 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 procedural 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 Thoraya Pandey

UNEMPLOYMENT in South Africa has reached unprecedented heights and statistics show only 125 out of 1 000 job seekers find formal employment.

The South African Reserve Bank's annual report, presented in August, indicates up to six million people are unemployed.

Various religious, social and political organisations operating mainly in working class areas have found creative ways to address the problem through co-operatives.

Commonly known as co-ops, these are usually set up by a small group of people in the community, and are provided with capital by donors with the aim of becoming self sufficient.

Most co-ops struggle initially but those with good organisation and management structures usually survive.

Ten years ago the owner of a small business in Montagu decided to sell his carpentry business to the employees who formed a co-op.

The co-op had its ups and downs but has managed to survive and formed the foundation for the establishment of three other co-ops in the Overberg area.

The four co-ops are interconnected and are operating smoothly and efficiently.

"At three co-ops we produce handmade furniture, mattresses and sleepwear and bed bases.

"The fourth co-op provides a service by means of production, managing, purchasing, marketing and sales and transport," said production manager, Mr Steven Law.

"The capital to set up these projects was provided by the Montagu, Ashton Community Service but they make no input in the management of the co-ops.

"All co-ops are independent of each other and all decisions are made by the workers and everyone benefits from profits."

Three co-ops established in Lavenader Hill over the past six years are running smoothly and effectively.

The co-ops are run entirely by the workers and all profits and perks are distributed evenly.

The co-ops were set up by the New World Foundation, a church body in the area.

"We established the sewing co-op in 1985 and are near to self-sufficiency," said Mr Peter Bruwer, co-ordinator of the economic development section of the foundation.

"A lot of hard work and commitment

on the part of the workers have ensured the survival of the co-op.

"Their success encouraged us to set up the printing and silk painting co-ops and since this is also successful, we are setting up two others early next year," he said.

The co-ops are provided with a capital outlay and run the "business" on their own from the beginning.

NEW WORLD FOUNDATION assists the co-ops from time to time but all decisions are made independently. "They pay rent, telephone, transport, and all the equipment we provided they maintain.

"The assistance we provide is more managerial and marketing," Bruwer said.

"The way things are going, we are hopeful the projects will be self-sufficient within the next five years."

The National Institute for the Prevention of Crime and Rehabilitation of Offenders (Nicro) in Cape Town assists with a beading co-op.

Nicro provides a workplace for six women to produce beads which are sold on flea markets.

"They only come in once a week and usually go home with money in their pockets. They're not making a great deal but enough to supplement incomes," said a co-ordinator.



EMPTY HANDED: Cape Town's unemployed have little prospect of finding work

Armcor aids its jobless

335 ~~111~~ LINDEN BIRNS ~~111~~

ARMSCOR has recommended to its retrenched workers that they contact a Pretoria-based consulting agency for retraining in other careers.

Pamphlets advising workers to contact Mandevco Consultants in Sunnyside accompanied the retrenchment letters given to several hundred Armcor employees recently, a spokesman for the agency confirmed.

For a fee of R1 000, retrenched Armcor 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. B10aw 18/12/91

Armcor 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, Armcor 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 deplorably 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 technikons 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

Sowetan 27/12/91

By ISAAC MOLEDI

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 Mtshali and M Mnintshana - 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 Zwelakhe Sisulu 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.

Sisulu 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".

BY MO
Sowetan

LABOUR

RECSSION and retrenchments will be the main legacies of 1991 for the labour movement. But with the strength of escalating membership, the unions also used the year to make a number of inroads into new areas.

In a year of unprecedented job losses, almost 60 000 workers were retrenched in three kingpin industries.

In Andrew Levy and Associates' end-of-year report, Erica Jancoowitz writes that 35 000 jobs were lost in the metal industry and 43 545 in the mining and quarrying industries. And, according to the South African Clothing and Textile Workers' Union (Sactwu), 10 000 jobs were lost in their factories.

Unemployment now stands at between 40 and 50 percent of the economically active population and Bankorp has warned that this figure

Some gains but many job losses

could swell by 700 000 next year. "This is based on an expected decline of 80 000 jobs opportunities in 1991 and no growth in 1992," says Bankorp.

The recession is not loosening its grip and economists believe that at the earliest, an economic upswing is only expected in the second quarter of 1992.

Predictably, job security and fair retrenchment packages were high on union demands this year. Training of workers was seen as an alternative to retrenchment and training agreements were concluded in a number of industries. Unionists believe that having multi-skilled employees is a way out of retrenchments, as is training unskilled

workers.

But despite the recessionary climate, union membership is soaring. In the past 10 years, registered membership has grown by 104 percent. There are 200 registered trade unions in South Africa, with 2 750 000 members and membership of unregistered trade unions stands at 300 000. With union membership over three million, Jancoowitz says, "25 percent of the economically active population is now unionised".

In 1990, union membership increased by 15,4 percent. Jancoowitz attributes this to the Congress of South African Trade Unions' organising drive in the public sector and the fact that workers

in a year marked by the Inkathagate scandal and anti-Value-Added Tax mass action, union membership increased while the recession bit deeper and the unemployment queues grew longer.

FERIAL HAFFAJEE looks at 1991 on the labour front

turn to unions as a "bulwark" in times of economic insecurity.

With the move toward institutionalising labour relations, the work of the industrial courts increased significantly. In 1990, the courts heard 6 366 applications compared with 4 492 the previous year and 2 989 the year before that.

The Labour Appeal Court established in 1988 has a reputation as a conservative court, tilted in management's favour. In 1990, 110 cases were referred to the Labour Appeal Court. It overturned 22 industrial court decisions and 84 were still pending at the end of the year.

A significant development in labour negotiations is the move toward arbitration and mediation as a way of escaping lengthy and expensive litigation. In the first nine months of this year, the Independent Mediation Services handled 456 mediations and 313 arbitrations. Arbitration showed a marked increase from the 251 cases heard in 1990.