

UNEMPLOYMENT

1992

Textile workers are retrenched

By FERAL HAJFAJEE

A NASTY Christmas present awaited many clothing and textile workers.

Over the holiday period, 7 000 workers in Natal and almost three hundred in Cape Town were retrenched.

The recession has bitten deep in the clothing and textile industry with more than 10 000 jobs lost in the past year alone. And with economists predicting that the recession will not ease until at least the second quarter of this year, unionists are worried that more jobs could be lost in the new year.

South African Clothing and Textile Workers' Union (Sactwu) representative Elias Banda said three big companies in Durban had informed the union that they would close at the end of the year.

At Scotford Mills, the biggest employer in Ladysmith, more than 2 000 workers lost their jobs. And at the Frame Group, 900 workers lost their jobs, while the closure of Hebox in Hammardale, near Maritzburg made a further 1 000 workers redundant. A thousand shoe factory workers were also retrenched when factories closed for Christmas, according to Sactwu.

The giant Kingsgate Clothing company in Durban shed 600 workers to deal with the sharp drop in clothing sales, said company representative Bobby Logue.

Banda also said that many Natal workers will lose their jobs through cost-cutting measures in QwaQwa and border industries on the Natal North Coast.

In the Western Cape, one of the region's major employers, Rex Trueform, announced plans to shut down two plants in Atlantis and Wynberg near Cape Town.

Eskom quashes fears about retrenchments

KARIN FRANKEN

ESKOM has begun a major three-year restructuring programme — announced late last year — with a view to preparing the corporation for the "new SA".

And a spokesman yesterday quashed fears of forced retrenchments, saying the emphasis would be on re-allocation of resources.

Changes would be made to Eskom's top structure. Some operational engineering group employees had been shuffled with the transmission and generation groups, while management services had been absorbed within the finance group.

The restructuring included the creation of a corporate affairs group. *B102W 7/11/92*

This department would deal primarily with strategic planning and communication.

The three main focus areas of the programme were to supply electricity to a further 3-million homes by 1996, to promote industrial growth, and to attract energy-intensive industrial investment.

It was hoped that the industrial investment would be attracted by internationally competitive electricity prices.

An executive director for the programme, Jac Messerschmidt, would be responsible for co-ordinating and managing implementation of the changes, the spokesman said.

The entire process was expected to be completed in two to three years.

MICHAEL MORRIS Political Correspondent,
LENORE OLIVER, Staff Reporter
and The Argus Correspondents

A JOBS crisis looms for young black matriculants with predictions that only a fraction of the 39 percent who passed will find work in the formal sector.

This emerged in reaction today to the Department of Education and Training matric results.

Disappointment, tempered by a cautious recognition of the improvement over last year's tally, dominated reaction.

Racial disparity in education has been blamed again by most extra-parliamentary organisations for the relatively poor results, spurring further demands for educational reform.

Economists warn that the deepest concern is unemployment.

In a grim prediction, South African Chamber of Business (Sacob) chief economist Mr Ben van Rensburg said only about seven percent of successful black matriculants were likely to find employment in the formal sector.

Democratic Party education spokesman Mr Roger Burrows warned that, with high unemployment levels, there was a danger the black community would question the value of education.

The pass rate in the Department of Education and Training's (DET) matric results has increased slightly.

But although there were more candidates, the pass rate increased by only 3,9 percent from 34,6 percent to 38,7 percent.

Of the 287 950 full-time candidates who wrote the examination last year, 107 830 passed, representing a 39,2 percent pass rate, compared to 36,4 percent in 1990.

The figure includes pupils in the six self-governing states, as well as Bophuthatswana, Venda, Transkei and Ciskei.

Thirteen of the top 20 pupils wrote the examinations "outside" South Africa, in the TVBC states. None of the 20 is from the Western Cape.

Of those who passed, 79 779 (64 349 in 1990) obtained the Senior Certificate while a further 28 051 (17 397) met the requirements for the Senior Certificate with university entrance.

The DET attributed the poor results to a number of factors. These include the defiance campaign by the South African Democratic Teachers' Union (Sadtu), the boycott of lessons by pupils and the prevention of principals and inspectors from performing their duties.

In other reaction today, the ANC blamed the DET for the poor results. ANC administrative secretary Mr Lindiwe Mabandla said a complete overhaul of the educational system was needed.

He said while problems such as stayaways could be blamed for the low pass rate, this issue was used to hide more fundamental problems of education and the need for restructuring.

National Education Co-ordination Committee (NECC) general secretary Mr Ihron Rensburg also blamed the poor results on racial disparity in education. He said the marginal improvement was due to the continued commitment by pupils and teachers.

"The black matric results cannot be compared to the more than 95 percent pass rate in white education precisely because of the on-going and glaring racial disparities in education provision," Mr Rensburg said.

'Turning point'

National Party Transvaal information director Mr Piet Coetzer said it was necessary to look at quality as well as quantity. He welcomed the significant improvement in university pass rates.

He said the much less disruption in schools was reflected in the results. "Hopefully we have now reached the turning point in black education."

PAC publicity secretary Mr Barney Desai said the pass rate reflected the "terrible" legacy of apartheid education, appalling conditions in schools, overcrowding of classrooms and the high teacher-student ratio.

"The prevarication of model A, B and C schools to stall a unified education system must take equal responsibility for these appalling results. There are more than 200 empty white schools which must immediately be put to use on a common basis for all children," Mr Desai said.

The Conservative Party warned that "increased resistance" could be expected towards integration in schools.

CP education spokesman Mr Schalk Pienaar said: "The white nation does not want the problems of black education to become their problems."

Only 7% of black matrics will find jobs

Slightly better exam results — but bleak prospects of employment

(335)
MRG-7/1/92

Many won't find jobs - economists

Sowetan 7/11/92
THE joy of black pupils who passed their matriculation or obtained a school-leaving certificate could be shortlived.

Most will be unable to secure jobs due to the slump in the South African economy, according to employer organisations and economists.

They were reacting to the announcement by DET that a total of 107 830 black matric pupils passed last year's final examination registering a pass rate of 39,2 percent.

By JOSHUA RABOROKO

The South African Chamber of Business manpower spokesman, Mr Gerrie Bezuidenhout, yesterday said the results showed "an excellent encouragement" on the performance of the pupils.

"Sacob wants to congratulate all those who passed," he said.

Proportion

A large proportion of the pupils who would be seeking jobs faced prospects of shattered opportunities because the country is currently in a recession.

He could not say how many would be without jobs but said unemployment was reaching "alarming proportions".

There were difficult times ahead and, until the economy improved, the situation would remain

bleak, even for the ordinary work-seekers.

Those who did not find work must not become despondent, but to improve themselves and obtain higher qualifications.

Employers must also play a role in this regard, he added.

Bankorp, in its latest Econovision, says unemployment could rise by 700 000 by the end of 1992, becoming a time bomb which could seriously damage South African society.

Sanlam's chief economist, Mr Johan Louw, said unemployment was getting out of hand and would affect many young matriculants.

There are tens of thousands of young people of all races in the under-25 age group who had never worked because they could not find jobs, economists said.

Unemployment led to centre's demise

8/11/92 SUSAN RUSSELL (335)

A 60% unemployment rate in the coloured suburb of Reiger Park near Boksburg led to a shopping centre in the area going bankrupt with debts of R3,8m, according to papers before the Rand Supreme Court yesterday.

RygerPark Props CC, which owned and developed the Fun City shopping centre, was placed under final liquidation by Mr Justice Flemming yesterday.

The close corporation had applied for its own winding up. Sole member Hendrika Christina Lourens said in an affidavit that Reiger Park was a lower middle-class area which had been particularly hard hit by the downturn.

"Approximately 60% of the people in the area are unemployed," she added.

Also, Rand Mines had closed its entire mining operations in the area, including its hostels, in February 1990, Lourens said.

"Hostel dwellers were responsible for about 50% of the trade at the shopping centre."

Three-quarters of the complex was now unoccupied and vandals were damaging the property on a daily basis.

"They have helped themselves to windows, shop fittings, geysers and any part of the centre which they can possibly remove," she said.

Tenants stayed in occupation an average of three months despite entering into three-year contracts. Also, it had been difficult to collect rents from tenants during the three months they were in occupation and the few who are still in occupation are not paying rent, she said.

Lourens said the corporation did not have the money to institute action against tenants for rent due or for their ejection.

She described the corporation as being hopelessly insolvent with no additional income other than that obtained from the shopping centre.

Call-up is going well, says SADF

8/11/92
PRETORIA — The SADF claimed yesterday that its 1992 call-up of white conscripts was proceeding well and threatened to prosecute draft-dodgers.

The End Conscription Campaign (ECC), however, accused the Defence Ministry of trying to intimidate young men into reporting for national service, which it said was legally unenforceable as the Population Registration Act had been scrapped. It said it would defend in court those who declined to report for military service.

The Defence Ministry says it is at the discretion of the Attorney-General whether to prosecute those contravening the Defence Act. Witwatersrand Attorney-General Klaus von Lieres und Wilkau last night rejected ECC claims that a moratorium had been placed on the prosecution of conscientious objectors.

Government security sources said the weak economy and high unemployment could be a contributing factor to conscripts' decisions to render their services to the SADF.

The ECC said a large portion of the R10bn annual military budget should be diverted to the SAP to assist the understaffed and underfunded force in its fight against crime.

The CP Youth yesterday encour-

JONATHAN REES

aged young men to report for military training only on condition that they could do service in their own communities.

It accused government of discrimination against whites.

A defence military spokesman dismissed the CP Youth's call for Defence Minister Roelf Meyer's resignation as a cheap political ploy.

DP Defence spokesman Lt-Gen Bob Rogers said conscripts should not take the law into their own hands, avoiding military service while the political and economic future of SA remained largely dependent on violence being brought under control.

However, the DP was committed to abolition of conscription and introduction of a volunteer defence force.

Boerestaat Party leader Robert van Tonder said white right-wing youths were concerned that when they reported for national service they would lose their jobs to other race groups not obliged by law to serve the SADF.

□ Randburg DP councillor Gary Cooney, against whom two charges under the Defence Act were withdrawn in the Port Elizabeth Magistrate's Court yesterday, said he was going to sue Meyer for damages, our Own Correspondent reports.

THE size of the informal business sector will inevitably soar in 1992 because of the increasing unemployment.

Consumer spending will remain tight until the second quarter of the year.

This will contribute little to an economic upswing, according to the Stellenbosch University's Bureau of Economic Research survey released this week.

By JOSHUA RABOROKO

The survey was conducted among wholesale, retail and motor trade businesses and Market Research Africa was commissioned to conduct survey among consumers in November.

It was conducted among black and white adults of 16 years and older in the major metropolitan areas.

BER says the anticipated increase in unemployment is likely to impact negatively on business in general, but on consumer spending in particular. It is also likely to increase the crime rate and the cost of supporting the community.

Acceptable

Closely related to the inability of the economy to generate jobs, is the increasing tendency of the private sector to replace labour with capital.

Until businessmen and trade unions can work out an acceptable solution to the problems, the unemployment rate will remain high, and the socio-political climate will have negative impact on taking sound business decisions.

The discontent among consumers - particularly the less affluent - with rising food prices resulting from VAT is posing problems for economic development.

Cosatu, backed by the ANC, is demanding higher wages to compensate for higher foodstuffs, medical services and medicine in particular. The Government has already yielded under pressure by reducing the VAT rate and by zero rating a number of foodstuffs.

Black consumer confidence decreased during the fourth quarter, while that of white increased slightly; both however remained below neutral.

Progress on the political front towards the end of

the year, and a decline in township violence can contribute significantly to improved confidence, the survey found, adding that this will boost spending throughout 1992.

Wholesalers, retailers and motor dealers all continued to experience poorer sales volumes than a year ago, symptomatic of an economy still in recession.

Expectations for the first quarter of 1992 are relatively better, but particularly retailers anticipate higher sales

volumes during the first quarter of this year.

Inflationary expectations were realised with the implementation of VAT, while expectations of even higher price increases have moderated among both wholesalers and retailers.

It appears likely that the upswing in the economy may start early in 1992, as retailers anticipate a relative improvement in business conditions only during the course of the first quarter.



Mr Friday Mavuso of Shap receives Sandom Rotary's Paul Harris Fellowship award from Mr Bevil Dusan for helping the disabled get work.

Informal sector poised to soar

SOWETAN-BUSINESS

UNEMPLOYMENT (335)

Population surveys in the coloured community for the month of October showed unemployment to be running at eight percent, according to figures released by Central Statistical Services. The rate increased by 0,6 percent compared to the previous October. W/MC 101-10/19

The unemployment rate amounted to 8,8 percent among coloureds.

21/11/91
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They beat the system
but they'll battle for jobs

W/Mant 10/11 - 16/11/92

335

A DRIVER'S licence is worth more than a matric certificate these days, a prominent educationist once said of the South African post-1976 era.

That assessment may be a little dramatic, but employment prospects are decidedly bleak for those matriculants fortunate enough to have beaten the system last year.

This week, the Department of Education and Training announced a 39,2 percent pass rate in its final exams — slightly up on last year's 36,4 percent. Ninety-seven percent of candidates passed in the schools run by the House of Assembly's Department of Education and Culture, 82 percent in the House of Representatives and 95 percent in the House of Delegates.

"The reality is that only about 10 percent of those with matric certificates get jobs," said Sheila Sisulu of the Joint Enrichment Project, which has commissioned a national profile of the millions of youths marginalised by socio-economic and educational disadvantage.

South African Chamber of Business (Sacob) economist Ben van Rensburg was reportedly even more pessimistic, saying that only seven percent of black matriculants were likely to find work in the formal sector.

Sacob labour affairs manager Gerrie Bezuidenhout said though that a slight economic upturn was expected — a 1,5 to two percent growth rate for 1992/3. Those who could not find jobs should prepare for this by studying further or acquiring work experience, even if informal, he said.

"Over the past 20 years the labour absorption rate has decreased steadily because of lower economic growth rates and population increases," Van Rensburg said. The public sector, he added, was virtually saturated because of the government's cash squeeze. He advised those who were unsuccessful on the job market to improve their qualifications with more marketable skills, especially in commercial and technical areas.

Only 39 percent of black matric candidates passed their exams — but even they will have a tough time finding jobs. PORTIA MAURICE looks at the bleak prospects for matriculants

A glance at the classified section of any newspaper illustrates the extent to which matric certificates have, in fact, been devalued. There are very few opportunities for straight school-leavers and specialised experience is in demand.

Sisulu pointed out that, although it was useful, a matric certificate was no guarantee for black students against losing out.

Black teenagers were often criticised for lack of forethought about the future, she said, but severe demoralisation had set in. "Writing matric for them is like a gamble these days, and you don't plan on the basis of luck," she said.

For the 276 487 candidates who failed, the DET has promised supplementary exams (for those with over 25 percent average) in March, and in May/June for those below 25 percent. There will be no space for them to receive the extra tuition they need in already overcrowded classrooms. At a press conference this week, Education and Training director-general Dr Bernhard Louw encouraged students "of mature age" to use adult education centres. "Our first responsibility now is to the new students," he said.

The DET matric pass rate has declined steadily from 55 percent 10 years ago to an all-time low last year. Education organisations — among them the South African Democratic Teachers' Union, the National Education Co-ordinating Committee, Project Matriculation and the Azanian Students Convention — blamed the poor result on the inadequacies of apartheid education.

Hebox deal ⁽¹⁴¹⁾ saves 600 jobs

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JONO WATERS ⁽¹⁴¹⁾

ABOUT 600 jobs have been saved by the acquisition of Hebox Textiles at Hammarsdale by German textile industrialist Claas Daun.

Financial details of the deal were not disclosed. ^{B/Dag 10/11/92}

The holding company, Natal-based Tongaat-Hulett, decided to close the factory last November after it had made an "unacceptable loss".

The mill closed on December 20 and 1 000 employees were made redundant. ^{(DE) (ES)}

Former Hebox Textiles MD Mark Pèrrings would assume the position of CE in the newly reconstituted operation presently in the process of re-employing 600 people, a statement said yesterday.

The takeover would also benefit the local cotton industry where producers and manufacturers are in dire straits.

Daun, who is resident in Germany, also has interests in the Morkel Group, Total Sports, Courthiel and Table Bay Spinners.

The mill had been running at 60% capacity after import liberalisation in the textile industry had seen imports of cloth treble in the last three years.

Far East exporters had supplied local importers with denim at one third of the local cost and Hebox, which accounts for 50% of local production, found its operation had become unprofitable.

Bleak future for most school-leavers

STAR 11/1/92

549 (335)

SOUTH Africa's lost generation is growing at an alarming rate and the latest crop of matriculants — black and white — may soon be added to the group.

Educationists and manpower experts say that less than one in every 10 of a nationwide total of 400 000 new matriculants is likely to find jobs in the informal sector. This leaves a grim scenario for the millions of unemployed South Africans.

While the future for white matriculants is not bright, black matriculants have virtually no prospects at all.

The South African Defence Force recently indicated it had received more volunteers than ever — more than it could cope with, in fact — and the South African Police has accepted only 4 000 new recruits this year out of 15 000 applications. These conditions could lead to an increase in the crime rate.

James Duncan of Anglo American's Gold and Uranium Division — one of the country's biggest employers — indicated this week that his company would recruit fewer matriculants this year than previously.

In the banking sector, conditions are the same. Dr John Verster, general manager of human resources at Standard Bank SA, said his institution had recruited about 350 matriculants, the majority of them women, since the beginning of this month. The figure for January last year was approximately 500.

He said recruitment would continue throughout the year. New recruits with a university exemption could be sent to a tertiary institution for further education.

"The banking sector is very female-oriented. We have an employ-



DOWN AND OUT ON CIVVIE STREET: With the economy in the doldrums, it could be a long wait for these work-seekers.

seemed to aid job-seekers in their search for employment, it appeared as if the quota of students enrolling at institutions this year is more or less the same as in 1991.

University of the Witwatersrand media spokesman Lyrn Thorne estimated that this year's first-year entries could be even slightly lower than last year.

She said the entry requirements for the various faculties had remained more or less the same.

Peter Mahr, public relations officer of Vista University, said entry requirements had been tightened and a full matric exemption was now needed for entrance to its faculties.

Mr Mahr said he expected roughly the same number of students to enrol at the Soweto campus as last year.

But despite the gloom facing new matriculants, the option of entrepreneurial spirit was still left to them.

Dawie Crous, head of Johannesburg's Small Business Development Corporation, said he had advocated a total change in economic vision for the last 10 years. He said formal education was not worth much if a candidate was unable to secure employment.

"We will have to create positions ourselves by putting our hands in our pocket and using the skills we have. We have sympathy for the school-leaver who is unable to find a job.

"If they can produce a feasible business plan, the SBDC would strongly consider supporting them financially in their ventures," he said.

But retired educationist Dr Franz Auerbach said youth employment needed to be addressed at national level by the Government, employers' and community organisations. A na-

ers market as there is an oversupply of matriculants. Acceptance requirements are very high," he said.

Employment agencies expect a boom in job hunters by the end of January — but their message will only reinforce the gloomy picture.

Kelly Girl MD John Dawkins said the employment outlook for matriculants was the worst in a decade. Companies simply did not have job opportunities for unskilled entrants into the job market.

Instead of hiring unskilled workers, companies were now demanding higher productivity and greater skills from existing employees.

Most of the thousands of matric students who approached Kelly Girl for job placement services were advised to study further, be it a three-month secretarial or public relations course, or a university degree.

A matric certificate no longer guaranteed entry into the workforce.

AL-AMEEN KAFAR and MANDY JEAN WOODS



"If an employee has a choice of hiring someone with experience against a new job-seeker for the same money, chances are they will choose the person with experience," Mr Dawkins said.

Each crop of matriculants would produce a body of unskilled, unemployed people.

"The Department of Manpower does offer free training courses at various technikons but the skills taught there are so rudimentary; they won't really give job-seekers entrance into the job market," he said.

Hersey Brooke, branch manager of Churchill Personnel in Hyde Park, said the past few years had been difficult for matriculants seeking employment.

Those who found a job did so mostly through friends or family in the workplace. Since the beginning of the year, Ms Brooke's agency had managed to secure just one position — for a woman who recently completed a secretarial course.

"We mainly deal in secretarial and clerical positions. For women there is a little bit of movement because there is always a need for a secretary or a receptionist. But men find it very difficult to get employment."

"For matriculants it is never easy to find a job because most companies demand at least one year's experience before they hire anyone," she said.

But while a tertiary education

tional policy should be revised to address the issue without waiting for the restructuring of the education system.

"Currently, emphasis is on school-leavers with certificates, while others who could contribute greatly to the economy are ignored. We need to set up employment opportunities for people leaving school, not just the ones with papers," he said.

Lloyd Vogelmann, director of the Project for the Study of Violence at Wits University, said the inability to secure formal employment would lead to frustrations which could be expressed in different ways, one of which was crime.

A higher unemployment rate would add to South Africa's deteriorating social conditions.

He said many youths had become dependent on crime — and there were enough examples that crime did pay.

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Returnees battle prejudice and unemployment

STAR 16/1/92

By Montshiwa Moroke

Hundreds of people who have returned home after years in exile are finding it extremely difficult to find employment and accommodation, said a spokesman for the ANC's employment and training section of the repatriation committee this week.

"It is actually a nightmare for some," said Mzwandile Boo. He said one of the major problems was the racist attitudes and political prejudices of white people in industry once they learnt the person looking for a job was an ANC member.

What was needed to solve this problem was affirmative action, supported by a government democratically elected by all the people, said Mr Boo.

Many of these people had originally left the country because of political violence, and some had even returned without the guarantee of shelter.

Mr Boo said about 8 000 people had returned before the UN High Commissioner for Refugees had stepped in last October. So far the UNHCR has repatriated 864 exiles. Another 130 are soon expected to return home from Botswana.

UNHCR public information officer Michael Keats said that 1 667 more refugees had been cleared by the Government, but were still waiting for flights to bring them home.

About 4 000 names had been submitted for clearance, of which 2 500 had been cleared.

The return of exiles was made possible under an agreement signed between the UNHCR and the Government in Geneva in September.

The signing parties said there

were an estimated 30 000 South African refugees and exiles.

The UNHCR pays for each refugee's air ticket, and it is estimated that the whole operation will cost about R80 million.

"Besides the 864 we have brought back, nearly 7 000 others have come back either by land, of their own accord or through the ANC. How many we will end up with, we don't know," Mr Keats said.

He said the UNHCR was also assisting returned exiles by granting them R4 000 each.

Moss Chikane, national co-ordinator for the National Co-ordinating Committee for the Repatriation of SA Exiles (NCCR), said his organisation was experiencing difficulties placing professionally qualified returnees.

They had been told they could not be employed unless they were registered with South Africa's professional organisations in order to gain local recognition. The people include doctors, nurses, engineers, architects, lawyers, pharmacists, geologists and journalists.

Mr Chikane said: "The unskilled are facing a more serious problem. They have to compete with millions of other unemployed people."

"In the meantime we are sending lists of names to employer organisations for them to pick whoever they want. We are also starting a programme at the end of January at Chamdor, and the Anglo American Corporation had also offered a similar training scheme which will involve unskilled, skilled and professional people."

Mr Chikane said his organisation could not understand why South Africa would not employ its professionally qualified citizens while importing engineers and other people from Europe.

'BA brigade' worst off, but even science, computer and engineering

Jobless queue growing

STAR 18/11/92

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FIFTEEN years ago a degree meant guaranteed employment. Today all it may secure is a place in the unemployment queue.

Graduates, especially those holding Bachelor of Arts degrees, are finding it increasingly difficult finding employment, according to both university and employment agency sources.

Not only BA graduates, but inexperienced engineers, who until a few years ago stepped into a position shortly after graduation, are also falling victim to the struggling economy. Although very little research

has been done in South Africa on how easy or difficult it is for a graduate to find employment, a number of education experts have agreed that last year was one of the toughest for university-leavers entering the job market. This year will be as bad, economists believe.

Susan Edey, a placement officer at the Wits Counselling and Career Unit, said BA graduates, especially ones with a "generalised" degree, struggled more than others.

Most BA graduates top off their degree with a diploma or further studies.

Although it had become very difficult to find work, many BA

graduates eventually managed to do so, though not always in the field they were aiming for, Miss Edey said.

Although she disagreed that local universities were producing masses of unemployable graduates, she said last year's batch of people with degrees — even engineering and computer degrees — were having difficulty finding work.

"This is the first time engineers have actually made inquiries to us for placement, and a number of them have been unemployed for some time.

"With professions such as medicine or dentistry, employment is still relatively easy to

IS THE South African university

system geared to producing ever increasing numbers of under-killed people? AL-AMEEN KAFAAR reports.

find. Even in certain science fields like botany, graduates are struggling."

The job market was very skills-based and, because of limited positions, employers tended to look for more skilled and experienced people.

"I'm very weary of making dogmatic statements. One should remember that 1991 was a significantly bad year and that the job market tends to

change from time to time."

Mel Holland, information officer of the National Education Co-ordinating Committee, said that nowadays a degree did not necessarily guarantee employment. University graduates were educated but were not trained to perform the skills required for their respective careers.

Miss Holland said exceptions were in the field of engineering,

but even there shortcomings were apparent.

"South Africa is following the American example where education is producing under-skilled graduates. The legacy of apartheid is the reason for this. Education is a linear process and in SA it needs to be addressed from primary to tertiary levels," Miss Holland said.

She added that the high entry requirements at universities also made it difficult, especially for black matriculants, to attend tertiary institutions.

"Universities should realise they are not neutral in the education process. One can concede that access to tertiary in-

stitutions should be based on merit, but then there should be more involvement from their side to address the legacy of apartheid."

Professor Merlyn Mehl of the Independent Development Trust in Cape Town said that to a certain extent the SA graduate market had reached saturation, especially in the cities.

Professor Mehl said BA graduates with a teacher's diploma were reluctant to leave the cities for the rural areas where a shortage of qualified teachers existed.

He said that while in the past a degree was the doorway to wealth and success, the job

market was now very specific and had a definite focus. The closer a graduate could come to that focus, the better.

"We still need more technically trained people, and the number of technikon graduates in technical fields is still undersubscribed. At this stage I would prefer going to a technikon because I'm led to believe that technikon graduates, especially blacks, find jobs more easily. Then, technikons do place emphasis on technical training," he said.

Certain professions, such as engineering, were still very undersubscribed, Professor Mehl added.

graduates find it tough

by degrees

HOPE BUT NO QUICK FIX IN PROPOSALS TO ALTER
THE FACE OF TEXTILE AND CLOTHING INDUSTRIES

Major plan to save W Cape jobs

S/Times (CM)
19/1/92

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By CHRIS CAIRNCROSS

A MAJOR plan to save jobs in the clothing and textile industry will come too late for thousands of workers who have been forced out by factory cut-backs and closures.

The two-year plan to save 12 000 jobs and create 30 000 more was presented to the Minister of Trade and Industry, Dr Org Marais, on Tuesday.

But the plan is long-term and offers no immediate solutions — so for the thousands of Western Cape workers who have lost their jobs in the past year or have been placed on short time there will be no respite from the battle to feed their families.

The industry had pinned its hopes on the retail sector achieving good sales over Christmas to make up for poor trading during the year — but consumer spending was markedly down on previous seasons and will undoubtedly affect jobs.

Industry sources have confirmed that they expect a growing number of workers to be put on short time in the first six months of the year.

More than 15 000 workers lost their jobs at textile and clothing factories in the Western Cape last year. At least 9 000 of these job losses were retrenchments, most of them associated with factory closures.

The two-pronged plan submitted to Mr Marais on Tuesday is a long-term programme — it is not designed to bring immediate solutions.

It offers hope in that it could be the first blueprint to provide a successful means of overcoming sectional interests, which have led continually to confrontations and have undermined the interests of all sectors of the industry.

The plan, for the first time in the industry, was put together jointly by key role players — representatives of the textile and clothing industries and of the SA Clothing and Textile Workers' Union.

Also party to the negotiations were cotton farmers and the distributive trade.

The plan proposes an initial two-year transitional phase to stabilise the industry and a longer-term programme of growth that is to be put together by March 1993.

It entails controlling disruptive imports and increasing exports.

Because of the apparent consensus achieved by the manufacturers and the union, the plan is the first really positive step in a major process of restructuring that will bring greater stability to the sector.

One of the programme's objectives is to reverse the increasing loss of jobs.

It envisages creating 30 000 more jobs in the longer term while saving 12 000 in the short term.

The programme — if implemented — will offer a ray of hope, particularly for the Western Cape's clothing and textile industry which, with a workforce of about 56 000, has been one of the region's main sources of employment.

There are no accurate figures for the number of unemployed or workers on short time.

The chairman of the Cape Clothing Manufacturers Association, Mr Simon Jocum, noted that the situation might have been far worse but for the cushion provided by exports. These have enabled factories to keep working, although at reduced levels.

No experience without job, no job without experience

STAR 24/1/92
If there is a personnel manager out there who believes in the future of this country, then please read on.

Being a young, recently qualified computer programmer, I find myself at the mercy of company managers who like to use the excuse that there is a shortage of skilled people. But this is completely unfounded as I graduated from a class of 20 people, half of whom still have no permanent jobs, and we all have the skills so "desperately needed".

I have been in the job market now for over seven months. The \pm 40 companies that I applied to directly, for junior positions, gave the same response — "... no va-

cancies ...", or the position is taken by someone with experience (be it a minimum of 6 months).

The computer personnel agencies I registered with suggested that I apply for a position "lower down", only to be told that I'm over-qualified. What do these companies want?

It is the classic Catch 22 situation: I cannot get a job without experience, but I cannot gain the experience without a job.

The Rand is at an all time low and the economy needs kick-starting, so why not invest in skilled trainees, like myself, who can and are willing to do the job that we are trained for!

R Kydd

Wadeville

Bring back Roosevelt to give the jobless jobs

W/MC
17/11-23/11/92

CALL it what you will: an army of reconstruction, development brigades, a community service corps. Now is the time to start on a project to get the jobless working.

The idea is not radically new. Nedcor chief economist Edward Osborn, for instance, has for a while now been advocating this as a way of tackling unemployment.

"It is the only possible part solution," he says. "It is by no means a panacea, but as a contribution to solving the problem it will alleviate the depth of distress we are seeing."

Late last year Bankorp's economists in their *Econovision* publication put forward their ideas for a "national community service corps" for South Africa.

At the same time support for the idea came from the Labour Research Service, and was discussed at a Congress of South African Trade Unions workshop on job creation. The LRS in one of its pamphlets last year advocated a public works programme which drew on the unemployed.

What should convince even the most sceptical is that hardship is changing attitudes in the bastion of free enterprise, the United States.

As recession tightens its grip in the US memories of the Great Depression and its solution have been evoked.

Suddenly, after a decade of free-market, largely monetarist solutions to macro-economic management nostalgia has arisen for Franklin Roosevelt's interventionist New Deal.

Though few are looking at a replay of the New Deal, they are looking for inspiration to extricate themselves from their economic quagmire.

In the US, the 1990s slump and the 1930s depression differ markedly. But the one great similarity is that then and now the gloom just won't lift, despite a drastic lowering of interest rates.

For South African observers there is some irony. South Africa's long and shallow slump has proved even more persistent than that now gripping the US and other English-speaking countries.

And while the unemployment figure which sent waves of despondency through America is around seven percent, South Africa's jobless figure has been estimated at 40 percent or more of the potential workforce (there are no accurate statistics). It may not be that high, but even halving the figure leaves an unemployment rate which would immediately throw any Western government out of power.

South Africa's unemployment problem is structural, a term that understates the human tragedy of so many people being faced with never having a job. Recession may add to the pool of unemployment in South Africa: economic recovery barely makes a dent in the problem.

A simple equation lies at the root of the unemployment quandary. Population growth is estimated to be around 2.5 percent a year. So just to keep pace with population growth annual economic growth has to match that figure. To make any difference to unemployment eco-

Remember your history?
Public works programmes,
as in the United States'
New Deal of the 1930s
could provide a partial
solution to South Africa's
huge unemployment problem.

By **REG RUMNEY**



Development corps ... jobs for 500 000?

nomie growth has to be much higher than that.

Whether high growth rates of eight, nine or 10 percent are achievable remains to be seen. Historical experience suggest growth rates of two to six percent might be all that is possible. But it would be foolish to wait for surging economic growth.

Moreover, South Africa's joblessness is compounded by a lack of skills. Decades of Bantu education and years of school boycotts have left the workforce seriously under-educated and unable to reach the productivity level demanded of a modern, efficient economy.

The jobless are also young. *Econovision* notes that of those unemployed 90 percent are estimated to be under 30 years old. Of those swelling the pool of the jobless in the 1990s, more than 95 percent will be younger than 25.

So a more accurate name for the unemployment crisis is the youth unemployment crisis.

Econovision sketches some prerequisites for a national job creation programme. It stresses the programme should focus on improving the long-term productivity of the economy by providing basic practical skills to unemployed youngsters, and by improving the country's social and physical infrastructure.

Ad hoc projects should be avoided, and the programme should concentrate on improving deprived communities and regions.

In other words, the workforce would build roads in rural areas and black townships, dams, playgrounds, parks, and community centres.

Leaders of all groups should be involved in shaping the programme and putting it into

action. And local communities should be consulted.

Osborn, noting the importance of identifying sufficient tasks for the corps, believes a separate government department should be entrusted with controlling such a programme.

Econovision comments that the programme should not be seen as a handout to the unemployed, and it should reward initiative and hard work. Bankorp's economist also believe it could slot in with such existing institutions as the Development Bank, Small Business Development Corporation and Independent Development Trust.

The details would still have to be worked out. The corps could be voluntary or based on conscription. It could incorporate a military component, or it could be entirely civilian.

Also, the labour movement might not be entirely happy with the idea, since there is always the danger that such a corps could be seen as threatening the jobs and wage levels of those already employed. For instance, construction workers would not be happy to see low-wage workers building roads construction companies could be building. Here the idea of a social compact and union involvement in framing and monitoring the programme becomes crucial.

What of the cost?

Econovision reckons the corps could employ close to 500 000 people at an estimated cost of R3-billion a year or one percent of gross domestic product (the main measure of economic growth, that is the total value of all goods and services produced by the economy).

The LRS calculates that paying workers R10 a day, plus spending R10 a day on administration, would mean a cost of R5-billion to employ one-million workers for a year.

Criticism will no doubt be levelled at the idea as being inflationary.

Bankorp economist Nick Barnardt says: "Spending is inflationary if adding strongly to demand without contributing to supply." But if the public works programme is aimed at those areas which increase productivity it will not be inflationary, he contends.

Where will the money come from? The LRS looks simply to higher tax.

Barnardt suggests that to some extent the economic benefits arising from greater stability and new infrastructure would offset the cost in the medium term. There will still be an immediate cost, of course.

Another solution is to divert money from elsewhere in the national Budget, such as defence.

Barnardt thinks that some money could be diverted from other areas. But a "tax surcharge" would be needed as well.

He considers most people would be willing to pay such a surcharge for a public works programme. In the four years he has been a bank economist he has never had the amount of positive comment elicited by the *Econovision* article outlining the corps.

So for once there seems the possibility of real consensus on an economic plan. The government should get a public works programme going - and smartly.

112 000 jobs lost in four major sectors

(335) (84)
S/Times (Bus) 26/1/92

Czech truck assault on SA

THE depressed and highly competitive heavy-truck market has a new challenger.

Trackless Mining Services (TMS) plans to introduce the Czechoslovak Tatra truck to Southern Africa.

The trucks, driven on all wheels, range in size from five to 20 tons. The 4x4 model finished third in the Paris-Cape Town rally. The 6x6 version won its class.

TMS managing director Don Duncan says the trucks will be imported in completely knocked down (CKD) configuration from the plant in Koprivnice and assembled at the company's Randfontein plant. *S/Times (Bus)*

The first three trucks will be fully imported and will be used as demonstration models. The CKD kits will later have bodies fitted in SA. Other components will be added.

Mr Duncan says on-road, off-road vehicles will be suited for the timber and quarry industries. Several companies are interested in the trucks.

The agreement to assemble the trucks, although not yet final, follows a visit of

By DON ROBERTSON

three members of the Tatra group to the Randfontein plant three months ago. With minimum local content, TMS will have to pay a 66% import duty.

But Mr Duncan believes he will be able to sell them at about 15% cheaper than similar trucks made in SA. Service and parts will be provided by TMS.

Since the collapse of communism, sales of Tatra trucks to Russia have fallen sharply and stocks have built up. Although it is unlikely that the trucks will be sold at dumped prices, reasonable terms have been offered to TMS. *26/1/92*

SA sales of heavy trucks last year fell to their lowest in many years at 5 807. December sales were the lowest in 20 years at 327.

The National Association of Automobile Manufacturers of SA (Naamsa) says it is a brave move for TMS. It says several manufacturers are unprofitable and the import of second-hand trucks is a major problem.

MORE than 112 000 jobs were lost in four major sectors last year.

The Chamber of Mines reports a loss of 43 300 jobs at gold mines and 4 400 in coal.

Chamber spokesman Peter Bunkell says not all job losses were caused by retrenchment. Natural attrition also occurred.

Mr Bunkell says it is difficult to speculate about employment this year.

"Cost cutting has been effective. We want to preserve as many jobs as possible, but we have no control over the gold price."

The steel and engineering industry shed 3 393 jobs in December — the highest monthly figure in more than three years.

This took the total loss of jobs in the industry for the year to 34 325.

Exports

Steel and Engineering Industries Federation (Seifsa) economics head Michael McDonald foresees last year's high lay-off rate in the industry continuing until at least the end of March.

The rate could begin to slow in the second quarter.

"New jobs, if there are to be any this year, should only arise in the second half."

Mr McDonald says exports have increased and he expects the trend to continue.

"It is encouraging that export incentives seem to be working, particularly for fully manufactured products. But these operations are largely capital intensive and, in any case, there is still excess capacity."

Incentives symposium

EXPORT incentives will go under the microscope at a one-day conference on February 13.

Speakers will outline the incentives available to exporters, discuss changes which have been made and examine the Government's export policies.

The conference is being organised by Safto, the SA Institute of Chartered Accountants and Fisher, Hoffman, Stride. It will be opened by Deputy Director-General of Trade and Industry Gerrie Breyer.

By ADRIAN HERSCH

Employment in the industry is about 345 000 compared with a peak of 454 000 in November 1981.

The building industry shed about 20 000 positions in 1991 and now employs about 235 000 people.

Building Industries Federation of South Africa (Bifsa) executive director Neil Fraser does not expect either a large loss or gain in jobs this year.

"We will bump along the bottom for the first three quarters, but there should be an improvement in the last quarter."

Aaron Searll, who served on the working committee that recently devised a strategy to develop the clothing and textile industries, says employment in both sectors is 255 000.

About 10 000 jobs were lost in clothing and textiles in 1991.

Dr Searll says retrenchments will continue at least for the first half of this year. The job-growth plan — likely to be implemented on April 1 — will begin to take effect only about four months later.

He says it is hard to forecast how many positions will be lost — as much will depend on consumer spending which is fairly low at the moment.

Public

Employment at Telkom increased by 740 last year to 68 000.

Spokesman Amanda Simpton says numbers will not increase this year.

"No retrenchment programme will take place, but there will be a reduction through natural attrition."

Transnet spokesman Carel Mulder says employment in the organisation dropped by 4 000 last year to 160 000 through natural attrition.

No retrenchment is planned for 1992.

Employment statistics for the broad public service — central government personnel — have not been released.

However, Econometrix economist Tony Twine believes it is unlikely that employment declined in this sector in 1991.

He does not expect a reduction this year.

At the beginning of 1991 the public service employed 784 000 people.

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Definition of jobs 'needs to change'

SA NEEDS to adapt its definition of unemployed if the country really wants to address job creation effectively, says Small Business Development Corporation MD Ben Vosloo.

In a statement at the weekend, Vosloo said in SA, as in most developing economies, the main employment problem was the large number of under-employed people working in the informal sector.

"Many of these people work very hard in production of goods and services but because their activities are not recognised, recorded or protected, but regulated by the public authorities, most of them never progress to the formal sector where they could realise their potential more fully," said Vosloo.

The traditional Western definition of the unemployed usually implied those people between the ages of 16 and 65 who could and wanted to work, but could not find work or create self-employment within the formal sector.

SBDC economist Edwin Basson estimated that about 3,5-million of SA's economically able labour force of 14,3-million were active in the informal sector.

A further 2,8-million were either in subsistence agriculture or unemployed, he said.

In terms of the Western definition, Bas-

son said, about 6,3-million people would be regarded as unemployed giving SA an unemployment rate of about 44%.

He said that if those employed in the informal sector were taken into account the number of unemployed would drop to 2,8-million or 20% of the economically active population.

"Defining unemployment realistically is not a matter of semantics but of the utmost importance for future planning," Vosloo said.

Basson predicted that if the current growth rate in formal sector employment continued, no more than 8,5-million of the expected 20,2-million economically active people in SA by the year 2005 would have work in the formal sector.

The country would then, according to Western definitions, have an unemployment rate of about 78%.

However, Basson said if the traditional definition was to be relaxed and those employed in the informal sector considered as working, the unemployment rate would decline substantially to 22%.

"The informal sector must first be officially recognised before measures can be introduced to enable entrepreneurs to advance from this sector to the formal sector," stressed Vosloo. — Sapa.

BUSINESS



FRIDAY MAVUSO

Infirm⁽³³⁵⁾ hurt by lack of work⁽²⁰⁰⁾

ABOUT 80 small entrepreneurs - mostly disabled people - at the Self Help Association for Paraplegics in Soweto have been retrenched as South Africa's economy refuses to recover.

The situation could become severe for the disabled if the economy does not increase dramatically to provide new jobs, Shap's chairman and manager, Mr Friday Mavuso, said this week.

Entrepreneurs who manufactured products for major mines were laid off as a result of the closure of some mines and the downturn in the economy.

"It was sad to take this action, but we were forced to retrench them because the mines were no longer sub-contracting us to manufacture materials for them. This has greatly affected our turnover in the past few years," Mavuso explained.

Their turnover of R100 000 a month was reduced to R50 000 in the past years. *Soweto*

Violence has also contributed. Two of their vehicles costing more than R120 000 were hijacked by thugs in Soweto.

He appealed to major companies, black political organisations and trade unions to support the disabled by sub-contracting them. *23/1/92*

Shap had received more than 500 applications from paraplegics who needed jobs he said. The sad thing was that black organisations did not support them.

"There is a lot they can do to help us help ourselves. We need support," Mavuso said.

"We are tired of being called disabled and want to create jobs and contribute to the country's economy."

He said that Shap would embark on campaigns to motivate members to create jobs. This included canvassing disabled people at hospitals, an "aggressive education drive" and fund-raising projects.

He appealed to all disabled pupils to take Shap bursaries so they could educate and better themselves.

Zimbabwe's first lady dies at 60

HARARE — Zimbabwe's first lady Sally Mugabe, 60, wife of President Robert Mugabe, died yesterday after suffering for years from a serious kidney ailment. married in 1961 in Salisbury, and she converted to her husband's religion, Catholicism. (335) (100)

Vice-President Joshua Nkomo said she had died in Harare's Parirenyatwa Hospital. Sources said the president's Ghanaian-born wife had spent the past two weeks in hospital, receiving treatment from kidney dialysis equipment. Their first child was still-born and their second died while still a toddler. In 1990, Mugabe raised eyebrows when, at the women's league congress, he appointed her its leader, annulling a vote taken earlier that chose Joyce Mujuru, wife of army commander Solomon Mujuru, who was always his wife's superior in the organisation.

Her death brings to an end a decade-long struggle to keep her alive. She was flown to London regularly for treatment and had a personal dialysis machine. Sally Mugabe's illness prevented her from playing any active role after her appointment. — Sapa.

Unemployment getting worse in most sectors

GERALD REILLY

PRETORIA — Job erosion continued in most sectors of the economy last year, aggravating the country's critical unemployment problem, economists say.

This is borne out by the latest figures in the mining and quarrying industries, and in the construction and manufacturing industries released yesterday by the CSS.

They show the number employed in the mining industry decreased by 138 869 to 626 450 in the four years to October last year. *B10aw 28/1/92*

In the construction industry the job loss was 24 200 — from 407 600 to 383 400 — and in the manufacturing industry, 3 578 — from 1 427 800 to 1 424 222.

Latest CSS figures show that in the three months to end-September the numbers employed in mining and quarrying decreased by 16 458 to 624 450.

In manufacturing, the numbers decreased by 3 800 to 1 424 222 in the four months to end-October.

In the same four months another 7 300 workers lost their jobs in the construction industry, bringing the total down to 383 400.

Stellenbosch University Bureau for Economic Research chief Ockie Stuart said there were indications that employment in the mining and construction industries would stabilise in the next few months.

However, in the manufacturing sector it could be the third quarter before any firm indications emerged pointing to the arrest of the upward trend in unemployment.

Stuart said, however, the big unemployment picture could only become more serious. Up to 400 000 new workers would enter the labour market this year. Only a handful would find work in the formal sector.

He stressed, too, that the informal sector was becoming saturated and its ability to absorb new and unemployed workers was shrinking.

Turning traders into tycoons

STAR 29/1/92

335

WHenever anyone draws an economic profile of South Africa, there is almost bound to be new confusion about the precise size of the unemployment problem. Estimates shrink or grow — depending on the argument one wants to prove.

For example, the most recent count of registered unemployment put the total at below 250 000, or a modest 4 percent of the non-agricultural labour force.

However, new studies by the Small Business Development Corporation show that a strict definition would put the total at 6.3 million — an unemployment rate of 44 percent.

Still more chilling are future projections, if one applies Western definitions that count employment only by the number of jobs in the formal business sector.

That, on forecasts by Professor Jan Sadele of Stellenbosch University, would threaten an

unemployment rate of an astronomical 76 percent, on the basis that by the year 2005 total employment in the formal sector may be no more than 8.4 million out of an overall labour force of more than 20 million.

The crucial factor overlooked in the extremes of estimates is the phenomenal growth of the informal sector ... the thousands of hawkers and street traders whose incomes save them from total unemployment — and thousands more micro-businesses launched by entrepreneurs whose initiative was long stifled by apartheid regulations.

The accompanying SBDC graphic shows the impact on the economic scenario. The count shows the informal sector has created no fewer than 3.5 million jobs.

Tragically, counting one million workers living by subsistence farming, it still leaves a core of 2.8 million completely unemployed. Nor does it provide much comfort for 1991 school-leavers who were

A new count by the Small Business Development Corporation puts the number of workers in the informal sector at 3.5 million. The SBDC argues that a new national strategy is required to bring them into the economic mainstream to solve the unemployment crisis, reports MICHAEL CHESTER.

warned by the SA Chamber of Business that the formal sector had jobs waiting for only one in 10 of them.

The SBDC believes the analysis proves the time has come for South Africa to begin a radical re-think about solutions — starting with brand new definitions of unemployment.

"Under the traditional Western definition," says SBDC managing director Dr Ben Vosloo, "unemployment usually implies those people between the ages of 16 and 65 who can and want to work, but cannot find work or create self-employment in the formal sector."

"In South Africa, as in most development economies, the

main unemployment problem is the large number of underemployed people working in the informal sector.

"Many of these people work hard in the production of goods and services. But because their activities are not recorded or protected, and they are regulated by the authorities, most of them never progress to the formal sector, where they could realise their potential."

"The informal sector must first be officially recognised before measures can be introduced to enable entrepreneurs to advance to the formal sector."

The only way to redress the imbalances that favour big

business, he argues, is to create a national strategy for small and medium enterprises.

The SBDC is already planning a dramatic expansion of its training and support services.

Dr Edwin Basson, head of the SBDC economic research unit, is suspicious about quick fixes to unemployment — in particular to the idea of creating a labour pool out of the ranks of the jobless to tackle the provision of basic services.

"The problem with this approach," he says, "is that it harks back to post-World War 2 strategies. It also lays the responsibility on the Government. Neither the present nor any future government will be able to generate enough funds to employ an extra 2.5 million to 4 million people during the next decade."

Dr Basson believes there are only two solutions:

● Long-term economic growth based on structural changes that will avoid the booms and slumps of many business cycles. Also, new attitudes among busi-

ness and labour leaders to end a current trend for more capital-intensive industries rather than new projects that promise to create more new jobs.

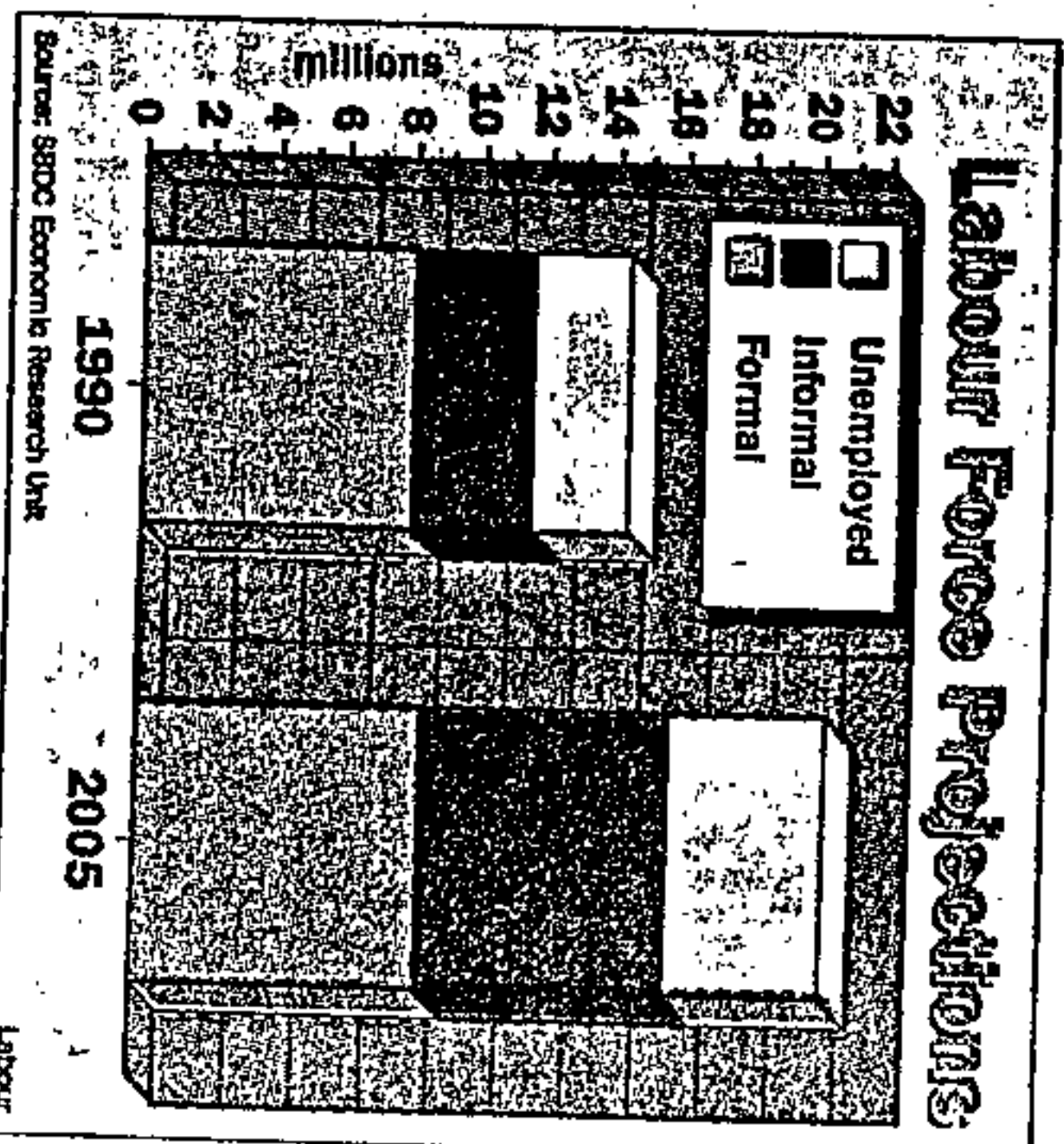
"Labour will have to make a concerted effort to increase productivity, to decrease strikes and to de-politicise the factory floor," he says.

"Likewise, businessmen will have to address socially relevant issues, implying a constructive involvement in social development and upliftment."

The best possible social investment that business could make in the long run would be in training and business support services, he said.

● A much lower population growth rate.

"This," he says, "would necessitate an increased awareness by all strata in society of the effects of over-population on wealth consumption and of the burden that a fast-growing population places on scarce resources." □



Union wins ruling against store

THE Industrial Court ruling that a company cannot sell any of its shops before consulting with the union will make it difficult to run a business, says Checkers managing director Mr Sergio Martinengo.

Martinengo was reacting to the court ruling last Friday that Checkers should consult properly with the SA Catering, Commercial and Allied Workers' Union before selling or closing any of its shops.

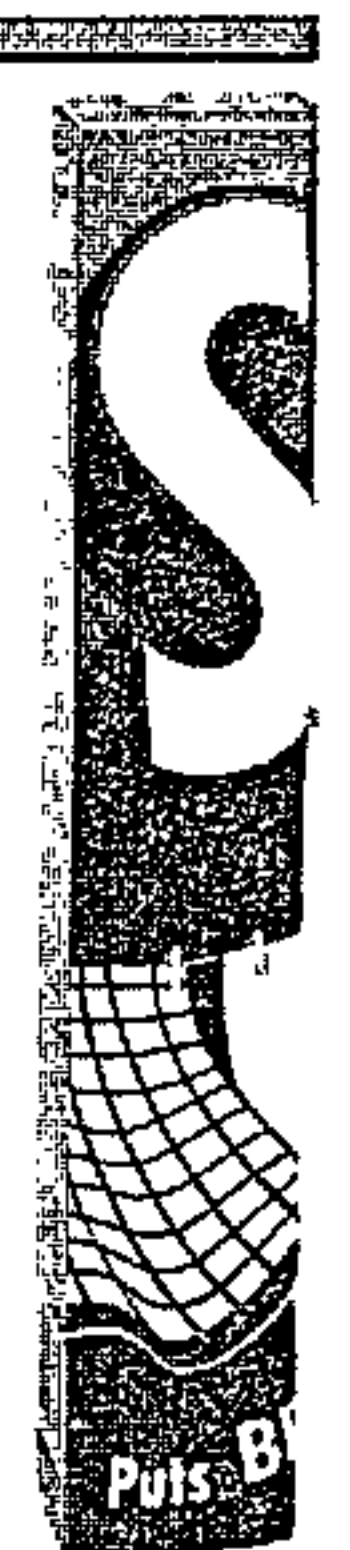
Saccawu brought an urgent application last Thursday to prevent the company from retrenching 34 union members.

In a statement yesterday the union charged that Checkers had announced that three of its branches, in Roodepoort, Bethlehem and Fleurdal, would be closed or sold.

Martinengo said only the Roodepoort store had been sold, but that the Bethlehem and Fleurdal branches were still operating. There were plans, however, to close them.

He denied the union claim that Checkers planned to close or sell 100 of its 169 stores, and said a total of only 12 stores would be affected.

He said some of the workers affected by the closure had been absorbed into other branches of the group, but that those who could not be placed had not been retrenched. - Sapa



The economic recession is biting deep, and unemployed people have little or no hope of finding jobs in the usual places. Instead of academic qualifications, the emphasis is now on resourcefulness in searching for ways to make ends meet. **MBUYISELO MTSHEKETSHE** reports:

OPPORTUNITIES for entrants into the labour market are diminishing as South Africa ploughs through an extended recession. The overwhelming message from top economists is that it is no longer good enough for matriculants to produce their matric certificates — students need further training to find employment in the formal sector.

According to economists, nine out of 10 matriculants will not be able to find jobs in the formal sector this year.

The formal business sector is offering fewer than 40 000 new positions this year as the recession drags on and exacerbates the plight of the unemployed.

The chief economist of the Small Business Development Corporation (SBDC), Dr Ben Basson, said ingenuity would be the key to survival for jobless matriculants.

Basson said the corporation had no figures indicating how many of last year's matriculants were unemployed.

However, he said the capacity of the economy to absorb people without experience and qualifications was limited and matriculants would find it hard to find employment.

"The only sector with opportunities for matriculants in the near future will be an informal sector," Basson said.

"We still need to add more emphasis to the role of the informal sector, it has generated new jobs in the past year," Basson said.

He said studies had also emphasised the enormous potential role of the informal sector to give a new boost to the entire economy.

South African Chamber of Business chief economist, Dr Ben van Rensburg, said the number of vacan-

'Informal sector the only hope for jobless'



SCHOOL'S OVER: But it takes more than book-learning for Khaya Yapi to secure a job in the middle of a recession

cies this year would provide employment for only seven to 10 percent of all new matriculants.

He said prospects would not improve unless South Africa began pulling out of recession in the next

two years.

"Students need to improve their education and develop their personal skills in order to find jobs," Van Rensburg said.

He said even university graduates

might find it hard to find a job in the formal sector during a recession.

Cape Town Chamber of Commerce human resources chief, Mr Charl Adams, said findings of a survey conducted recently by the University

of Cape Town indicated seven out of 100 matriculants would find jobs this year.

SBDC regional manager Professor Wolfgang Thomas said out of a total of more than 14-million people, between two and three million were without regular income.

He said many of them were matriculants of past years or candidates of the 1991 examinations.

"Looking at the whole group of school leavers, matriculants constitute an elite of relatively better educated labour market entrants," Thomas said.

"The value of a matric remains significant, even if the person takes some time to find a regular job."

Thomas said the rapid increase in the number of black matriculants was one of the most significant preconditions for more rapid longer-run growth of the economy.

"To face this challenge statistical games about the percentage of those who can or cannot find employment are of no help," he said.

"We need practical support in the fields of career guidance, self employment preparation, traineeship opportunities and a new perspective which sees matriculants as a valuable, long-term asset in our economic growth process."

Unemployed matriculants are urging the government to channel funds through specialised agencies like the SBDC which has created more than 250 000 new employment opportunities since it was established 10 years ago.

Mr Khaya Yapi, who passed matric in 1990 and could not enter university because of financial problems, said he found it extremely difficult to get a job in the formal sector.

"Every day for the past two years I've had to buy a newspaper and wander around Cape Town in search of work, but I have not found anything," Yapi said.

He said he found matriculants who passed matric reasonably well and those who developed personal skills found it easier to find jobs than those who had no experience like himself.

But for Miss Dideka Sigenu, of Nyanga, it is the government that should be blamed for the high unemployment rate in the country.

Sigenu passed her matric at St Francis adult education school this year and plans to enrol for a training course as a computer operator.

"We are getting to a stage where the government has to take action to improve our economy," Sigenu said.

"We cannot afford the negative growth rate of this long recession."

PIC: YUNUS MOHAMED

335

FM 31/1/92

EAGLE'S BYTE

~~335~~

Technological advancement has its price, in the short term, at least.

Insurance company SA Eagle's decision to install an integrated computer network throughout its branches over the next 12 to 18 months will mean that about 20% of its work force — 300 to 360 people — will be laid off over that period.

"While we are deeply sorry to have to take these steps," says MD Peter Martin, "the company has a responsibility to remain a productive, profitable organisation and it has an obligation to offer a secure, exciting future."

Certain insurers have installed computer systems that give them a slight competitive edge. This encouraged companies such as SA Eagle to appraise tech-



Martin

nology and implement long-term restructuring programmes.

To assist personnel no longer required, the company has provided a "very fair redundancy package."

Re-employment has been offered if the need for more staff arises but this seems to present few opportunities.

The new system will manage the issuing of policies, process reinsurance, administer agents' ledgers, commission and general information together with claim payments and reinsurance recoveries. This will cut document handling, ledger entries and other labour-intensive tasks.

The short-term insurer says it will help the laid-off workers to handle tax and lodge claims with the UIF. It will also be flexible and tolerant over housing loans, give people time off to look for new jobs and provide counselling.

SA Eagle has held recognition talks with the Cosatu-affiliated Saccawu union but no agreement has been signed.

Pact workers won't give an inch

EMPLOYEES of the Performing Arts Council of the Transvaal (Pact), unfairly dismissed in 1990, this week refused to be evicted from the houses which have been repossessed because they cannot pay their bonds.

Thirty-five of the 300 unfairly dismissed workers have had their Mamelodi houses repossessed by Saambou and other financial institutions.

The banks agreed not to repossess the houses, or transfer them out of the names of the owners, pending the outcome of the workers' Industrial Court case against Pact.

In September last year the Industrial Court found the workers had been unfairly dismissed and ordered Pact to reinstate them and give them six months back-pay.

The workers, members of the Paper, Printing,

Wood and Allied Workers Union, thought the threat to their houses was over. They intended to start repaying their bonds and negotiate with the banks about the arrears.

Their hopes were dashed when Pact decided to take the Industrial Court decision on appeal.

Meanwhile, most of the houses have been repossessed by the banks and in some cases, the houses have been resold and eviction notices served.

PPWAWU General Secretary Sipho Kubheka this week criticised Pact for trying to intimidate its employees.

"Even after winning the Industrial Court case, our members have had no relief. It is scandalous that a state-linked employer like Pact should treat its employees like this," Kubheka said.

The workers now re-

Readers' Hotline

Helping you with your problems

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fuse to leave their homes.

The Mamelodi Civic Association also supports their stand.

MCA media officer Pasty Molefe says the civic will take action to prevent people from being forcefully evicted.

Pact director Louis Bezuidenhout told City Press there was nothing Pact could do because they also faced financial difficulties.

"Lawyers for the union

suggested that Pact pay the bonds until the outcome of the appeal, but this is impossible as we do not have the money," said Bezuidenhout.

"There is nothing we can do until the outcome of the appeal. We keep approaching the Industrial Court for a date, but we haven't heard anything yet," he said.

For one homeowner there was a sigh of relief on Friday when the Perm agreed not to auction his home.

After City Press explained the situation to Perm on Thursday, they agreed to postpone the sale in execution of Silas Mathebula's home until the outcome of the appeal in the Industrial Court.

City Press put a series of questions to Saambou, but had not received a reply at the time of going to press.

It's a hair-raising wait for wigmaker

2/2/92
THEATRICAL wigmaker Joyce Motaung has worked for Pact for the past 25 years.

This week Joyce, 50, sat anxiously at home, dreading being evicted from the house she has lived in for the past five years.

She knows her house has been sold on auction by Saambou building society, but refuses to move.

335 Court victory *335*

"We are all in the same position. We have nowhere else to go. It is not our fault we are in arrears. We won our court case, but we are still not back at work," said Joyce.

"I have worked hard all my life to make a good home for my children and grandchildren. It would be very unjust for us to lose our home now," she said.

All the workers whose houses have been repossessed by Saambou and other building societies share Joyce's view. They refuse to vacate their repossessed houses and say they want to pay their bonds again as soon they go back to work.



I WON'T BUDGE ...
Joyce Motaung.

'I will never leave here'

SAM Nkosi, 53, has devoted his life to Pact.

A loyal employee with 26 years' service as a cleaner, he thought his future was secure as he approached retirement.

Now he has lost his house, most of his furniture as well as his job.

Nkosi took a housing loan with Saambou in 1987 to extend his small Mamelodi home.

He built on a lounge and dining room and put on a new roof.

When he was fired by Pact in 1990, he could not keep up his bond payments.

Saambou sold his house at an auction in April last year.

In October, Saambou attached all the furniture in the new part of the house.

"They tell me they have sold my house to somebody else, but I will never leave here. I have lived here all my life. My children were born in this house. I owned this house before I took the loan to extend it. They can empty it and take my furniture, but I am staying," Nkosi told City Press.

SA needs a peace and productivity call-up

STAR 5/2/92

national unemployment rate that is now 43 percent of the economically active population, they are probably unemployable elsewhere in significant numbers.

THERE is only one valid argument against the case I made out last week for scrapping military conscription. This is that it would add significantly to our swelling problem of unemployment. Thousands of conscripted men would go on to the labour market a year sooner than they do now.

It is a poor reason to keep a large army: square-bashing is singularly unproductive employment. But it means there will be resistance to the idea of reducing the size of the Defence Force.

Then again there are tens of thousands of young school drop-outs, casualties of the great uprisings of the '80s with their school boycotts, clashes with the authorities and life on the run: a generation of young "comrades" who missed out on their education and parental control and who now represent a social problem to themselves and their communities.

Indeed the pressure is going to be for its enlargement instead, with demands that the ANC's military arm, Umkhonto we Sizwe, be integrated into the SADF just as the liberation armies were in Zimbabwe and Namibia.

It will be hard to resist this pressure. In the first place it is essential that the military should reflect the new political dispensation as it emerges. On top of which these returning guerrillas will not be easy to absorb into other sectors of the economy.

How can this "lost generation" be stabilised and reintegrated? One can foresee that military service may appear as an attractive proposition to a new South African regime as a way to absorb these young people.

The present system of all young white males having to do a year's national service will in any event have to change and be deracialised. So instead of scrapping national service, one can foresee that there will be pressure to widen it to include all races.

So let me suggest an alternative. Instead of national service South Africa should consider a form of non-military service to the nation: a peace corps instead of an army, in which young men and women spend their year not on parade grounds and learning how to use weapons, but carrying out public works projects.



Allister Sparks

discipline a wild and alienated element of the population, ease unemployment and the concomitant growth in the crime rate, it would probably receive a lot of popular support.

But it would run counter to any policy of demilitarisation and the gaining of a peace dividend. It would mean a larger rather than a smaller army, and large armies cannot be kept inactive indefinitely. Countries with large armies invariably feel a need sooner or later to put them to use.

One can imagine, for example, projects that would extend the electricity supply network, and clean water, to every community in South Africa. This is a country that generates more electricity than the rest of Africa combined, yet only one-third of South African homes are electrified. Get them all electrified and the quality of life, and productivity of the population, will be transformed.

I have a picture in my mind that captures the essence of our country's skewed economics. It is of a rural African woman trudging across the veld with a huge bundle of firewood on her head,

passing as she goes under one of those mighty Eskom power lines that span the land.

She walks up to a dozen kilometres a day, that bent and weary woman, aged before her time by the exhausting task of gathering the world's most primitive and wasteful energy source to sustain her family, while above her the world's most modern, economic and efficient power supply surges unattainably by.

It is a journey without end: a daily chore that grows forever longer as the source of firewood is depleted and the land deforested.

It is a journey with waste at both turning points: at one the waste of ecological destruction; at the other the waste of inefficiency as the wood fire dissipates 80 percent of its energy into the air and cannot even provide sufficient light for schoolchildren to study by after sunset.

In economic terms it is a wicked waste of an ecological resource and of productive human energy. In human terms it turns people, women especially, into beasts of burden and stunts the growth of

children. It cries out for rectification. Even poverty-stricken Tanzania has done better than we have at this level.

Public works programmes may not be the answer to all our socioeconomic deformities, but they could help. They could change the quality of life for the underclass, put money in the pockets of thousands of unemployed, and by increasing consumer purchasing power help to stimulate economic recovery.

Their shortcoming, of course, is that they do not last. When the programme is completed the workers are unemployed again. There is no substitute for sustained economic growth to pull a country out of stagnation. But public works programmes can provide relief at critical periods, they can cushion the worst effects of a recession and help to get a growth trend started again, as Roosevelt's New Deal did, and they can leave behind structural achievements of lasting value.

They are certainly a helluva lot better than learning to shoot people and blow up bridges. □

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Drought to be debated in Parliament

CAPE TOWN — The drought in large parts of the Republic is to be debated in the House of Assembly today as a matter of public importance.

The House's Order Paper showed the debate was proposed by CP chief whip Frank le Roux.

Agriculture Minister Kras van Niekerk is scheduled to visit the drought-stricken summer grain-producing areas early next week.

He expressed concern about the critical situation in the Free State and Transvaal in particular.

The SA Agricultural Union is to discuss the gravity of the situation with the Ministry of Agriculture at a meeting scheduled for February 14.

The Red Meat Producers' Organisation warned producers could face serious problems unless it rained soon. — Sapa.

SURE Holdings Limited

Annual meeting of the Company of last day to register for the 5% cumulative automatically preference shares ("convertible")

limited is authorised to announce that the Company to proceed with the all lead to a strategic alliance with ited ("Inhold") were approved at the etings of the Company, Inhold and Investec") held on 31 January 1992. At the Company resolutions increasing pital of the Company by the creation erence shares and sanctioning their

Harvestime to retrench 500

PORT ELIZABETH — Frozen food manufacturer Harvestime is to retrench about 500 people nationwide because of severe drought in the Eastern Cape and the recession.

Harvestime chairman and Table Top MD Gert Schoonraad said 300 of those to be retrenched worked at the company's frozen vegetable plant in Port Elizabeth.

Schoonraad said the drought was causing a lack of adequate supplies. Operations in Port Elizabeth had to be scaled down, due mainly to declining demand. (335)

The decline in demand was probably being caused by the current state of the economy, with people eating more cheaply, he said. — Sapa.

More fight sackings in court

335 (12) (12) (12) (12)
By CHARLENE SMITH

DISMISSAL cases before the Industrial Court and the Labour Appeal Court more than doubled in the second half of last year.

Increasing numbers of senior management employees are taking their dismissals before the industrial court. While the most common reason for the dismissal of blue collar workers is "misconduct", it is "incompetence" for senior staff.

Figures released by Van Zyl, Rudd and Associates in a series of nationwide labour law seminars which began last week show that in the first half of last year there were 62 Industrial Court cases. In the second half of the year, the court's case load had increased to 105 cases.

The Labour Appeal Court workload soared from five in the first half of 1991 to 18 in the second half.

In a major change of attitude, the

Industrial Court indicated that mass dismissals as a result of stayaways, could be legally contested in future.

The Industrial Court said "the fact that a stayaway is politically motivated does not release an employer from the obligation of holding proper disciplinary inquiries ... en masse dismissals, without individual inquiries, may justifiably be seen as political retaliatory action by the employer against stayaways as such, apart from being unfair to the employee".

Insubordination was not viewed lightly by the courts, which had also held that it was legitimate for employers to isolate those inciting strikes for disciplinary action.

Failure of employees to obey safe-

ty regulations was also viewed in a serious light. The court said that, "where the failure to obey any reasonable and lawful job instruction or safety rule or regulation was both serious and deliberate, the employee may be said to have repudiated his employment contract and it was competent for his employer to dismiss him". *S.I. Times 9/2/92*

A white collar employee was no less entitled to receive a fair hearing than lower paid contemporaries, the Industrial Court ruled.

He must have received warnings, been properly informed of the allegations against him, been given a fair hearing with opportunities to state his case, adequate time to prepare for the hearing and the employer must have attempted to help him rectify his inadequacies.

COMPANIES

Masonite's tight cost management pays off

8/10/92 11/2/92

PULP WOOD and timber company Masonite Africa has increased profits by 54% to 167c a share in its financial year to December 1991 because of tight cost management and savings achieved from the commissioning of new plant.

Earnings growth was achieved from a 12% increase in turnover to R126.5m. MD Alan Wilson said yesterday in a telephone interview that the 12% turnover growth was not so much the result of increased sales as the result of a 12% product price increase during the year.

Reflecting tighter financial control and improved productivity, gross profit margins climbed from 8.9% to 13.8% and gave rise to the 72% increase in pre-tax profits to R17.4m.

A fire broke out in Masonite's Estcourt factory in October, destroying some

EDWARD WEST

stock and putting the plant out of action for a week. Certain products were imported to ensure continuity of supply. The restoration of the plant gave rise to a R4.1m extraordinary item. The company was insured against these losses.

Wilson said a new R11m refiner plant was commissioned in mid-November 1990. The new plant resulted in lower maintenance costs — the plant replaced four smaller plants — lower usage of water and the recycling of 80%-90% of the steam used in the refin-

ing process.

He said Masonite planned to invest in its future through the continual updating of technology and the increasing of production capacity. Dividend policy would be aligned to the funding of this programme. Consequently, in the year under review, dividends increased 40% to 60c a share covered 2.78 (2.5) times. The final dividend was 35c a share.

Wilson, positive about long-term prospects, said the expected economic recovery in 1992 would not occur soon enough to have a positive effect on earnings.

Skin care launch eats profit

PARIS — French fashion and perfumes group Yves Saint Laurent said yesterday 1991 sales rose 2% to \$574m in spite of the recession.

The group, founded in 1962, maintained its prediction of a slight drop in 1991 profit from 1990's \$43m.

The company said heavy investment to launch a new skin care last year and a one-time foreign currency gain in 1990 explained the dip in profit. — Sapa-Reuter.

More private time wanted

TOKYO — Japanese white-collar workers in the Tokyo area work an average of 37.6 hours of overtime a month and complain of not having enough private time, a recent survey says.

Recruit Research Company reported that 31.4% of its 3 047 male respondents said they worked more than 50 hours overtime a month. Recruit questioned 3 047 male white collar workers chosen at random in November last year.

The workers were between the ages of 20 and 49 and lived within 50km of Tokyo.

Asked about worries or unhappiness at work, 37.8% said they had too little private time.

The average Japanese worker worked 2 044 hours last year compared with 1 949 hours put in by Americans in 1990 and 1 642 hours by Germans, the labour ministry said. — Sapa-AP.

Retrenchments 'could point to start of upturn'

3/35 8/10/92 11/2/92

THE steel industry is hampered by high interest rates, poor business and consumer confidence, and a stubbornly high inflation rate, says Seisa economics division head Michael McDonald in the latest edition of Seisa News.

Retrenchments for 1991 topped nearly 35 000, peaking at 3 393 in December. However, past experience had shown more workers lost their jobs at the end of an economic downturn than at the beginning, he said.

Signs of an export-led upturn could become apparent towards the end of the second quarter of 1992.

A drop in interest rates, lower inflation and the "promising" start to Cordoba talks would go a long way to restoring business confidence.

If violence could be controlled, about R750m from the Independent Develop-

PAUL ASH

ment Trust and other sources could be used for infrastructure building.

Projects such as Moss-gas, which had benefited many metal industry companies, were wrapping up. Similar large-scale, government-sponsored projects were unlikely for some time.

Cutbacks on capex by industry's major customers, such as Transnet, Eskom and Armscor, meant exports would have to play a greater role in the future.

The fall of sanctions had opened world markets to the industry, but it was vital the industry improved its competitiveness in the field of manufactured products instead of relying largely on markets requiring only beneficiated raw materials.

NAME PARTY

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'Bread' drive launched to highlight poverty

South 13/2-19/2/92

By Chris Mabuya



Chris Hani

THE South African Communist Party (SACP) is launching a "Bread Campaign" to highlight poverty and unemployment.

It will involve marches and the collection of money to buy bread for the poor. And people who cannot afford medical care will be taken to doctors and hospitals for treatment.

SACP general secretary Mr Chris Hani said: "There is a lot of unemployment and poverty in this country.

Society is not aware that a number of people go to bed without food.

"The white parliament does not discuss the issue of poverty. Even organisations talk about it in general terms.

"We feel we should highlight the issue and demand welfare for our people from the white government.

"We are now busy collecting money and asking employers to donate so that we can buy bread which will be distributed in squatter camps, rural areas, villages and other areas where

there is a need for food."

Hani, who is also Umkhonto we Sizwe's chief of staff, said doctors had been mobilised to examine the "victims of impoverishment".

The campaign was decided on at the party's national congress in December last year as the beginning of a focus on the working class.

Hani said Cosatu and the ANC had been informed about the campaign. "This must not be seen as a party thing but should involve all the masses of our people," said Hani. — *ELNEWS*

335

Iscor to axe another 350 jobs

ISCOR is planning to cut 350 jobs from its Vereeniging Works which employs 2 200 people — bringing the number of jobs lost at the group since June last year to nearly 2 000.

MD Willem van Wyk said yesterday that although the group had shed 1 500 jobs since June, only half of these had been retrenchments. 335

The group had sought to streamline its workforce first through natural attrition, early and voluntary retirements and transfers from one division to another.

Van Wyk was commenting on reports yesterday that 2 000 white workers had lost their jobs at Vereeniging.

He pointed out that the plant's total workforce was little more than that number, of whom half were black.

The Vereeniging plant was operating in line with market demand for its iron and steel production.

The action being taken was to bring manpower in line with market conditions, he said.

It was too early to determine the exact number of retrenchments.

Management was in the process of evaluating how best to reduce the workforce,

B. (baw) 84/2/92
MATTHEW CURTIN

including a survey of possible candidates for voluntary resignations.

A similar process had been underway at the Pretoria Works since 1983 and was happening at those of the group's mines which were nearing the end of their ore reserves.

Van Wyk noted that between 1989 and 1991, the period of the group's R2,7bn capital expansion programme, Iscor's workforce rose from 56 200 to 58 600 employees.

He said Iscor was operating at a high capacity — total output was higher than at the same time last year — while it was reducing its inventories too.

Given that local and international steel markets were depressed, Van Wyk said he hoped this reflected the competitiveness of Iscor's prices.

Iscor reports interim results for the period ended December 1991 at the end of the month, and market sources have said they expect the group's performance to be down sharply on last year because of the slump in the world steel market.

Iscor's shares closed unchanged at a 14-month low of 175c on the JSE yesterday.

UCT, Kentucky vs Cosatu (335)

COSATU is gearing up for industrial action to highlight the dismissal of seven workers at the University of Cape Town and the ongoing strike by Kentucky Fried Chicken workers. (1992)

The federation and its affiliate, the Transport and General Workers Union (T&GWU) have also requested a meeting with UCT vice-chancellor, Dr Stuart Saunders, to demand the reinstatement of the dismissed and the withdrawal of all other disciplinary action against workers and students.

Protest action planned for next week at the university and outside Kentucky outlets includes lunchtime marches and pickets. (1992)

26/12/92-26/2/92 71 nos

Loss of jobs boosts crime

ST Times 23/2/92
(CM)
335
23/2/92

By DIANA STREAK

AN INCREASE in armed robberies in the Peninsula has been blamed on rising unemployment, a deepening recession and the unrepentant behaviour of the perpetrators.

This type of crime was following a nationwide trend, but fortunately "the curse of the AK 47 hasn't hit us yet" the head of the Peninsula Murder and Robbery unit, Lieutenant-Colonel Leonard Knipe, said this week.

Banks and building society were not prime targets — as they were in Johannesburg — largely due to preventative measures which were "paying dividends", he said.

"We've been spared the AK, mostly handguns are used," he said.

The Western Cape's new commander for crime prevention, Colonel Quinton Visser, said the increase in armed robbery was caused by the deteriorating socio-economic situation as more and more people lost their jobs.

Ignore

Hundreds more police were needed for foot patrols and it would be necessary to reshuffle departments to increase "visible police work", he said. A visible police presence would mean fewer opportunities for criminals.

Armed robbers generally operated in gangs and tended to repeat their crimes and some even committed a robbery while out on bail on another similar charge.

"We can't get them tried quickly enough, they're released on bail and rob again," Colonel Knipe said. Most convicted armed robbers had robbed several times before.

"People should be alert and not hesitate to call the police," Colonel Visser urged. He said people didn't want to "get involved" and go to court and so ignored criminal situations.

"The public can be the eyes and ears of the police. Then we will have a chance of stopping this kind of crime," he said.

Colonel Knipe said most armed robbery targets were small businesses which unlike banks could not afford sophisticated security systems. He said shopkeepers, cafes and particularly restaurants were soft targets.

People were often robbed in transit with a large sum of money like a payroll. Colonel Knipe said there was an "element of neglect" among firms who should step up their security awareness. People in the CBD should join a business watch.

17/2/92

Women help jobless whites

The Argus Correspondent

PRETORIA. — A branch of the Afrikaans women's organisation Die Suid-Afrikaanse Vroue Federasie is trying to find ways to improve conditions for unemployed whites.

Donato, the branch responsible for the training programme, began the operation in September 1990 and after having successfully trained 200 women, they are now assisting unemployed men by organising a carpentry training course.

"I am very excited about the men's course which began last month. I am sure it can yield the same results as

the women's courses," said Mrs Ans van der Westhuizen, chairman of Donato.

Some women have learned sewing in a 16-day course and Mrs Van der Westhuizen said their work was so professional that they were making uniforms for two schools.

Other women have been helping to care for children ranging from toddlers to school-going youngsters.

Donato had been using a house in Parktown but an increase in numbers caused the organisation to move to a hall at the Pinkster Protestantse Kerk in Mountain View.

(335)

ANC govt 'would aim to create jobs not handouts'

B/0am 28/2/92

KATHRYN STRACHAN

AN ANC government was unlikely to engage in extensive social security provision in the form of "handouts", the organisation's social welfare department deputy head Dali Mpfu said in an interview this week.

It would not have the resources to do so, and there were many other sectors which urgently required substantial funding, he said.

There was a limited capacity for taxation in SA, partly due to the large numbers of unemployed people, and low wages. It had also been projected that there would be a slow return to healthy economic growth rates.

Social security provision was far more likely to occur through employment-creating projects, said Mpfu.

Although the primary aim of his department would be to increase the social assistance net to help more disadvantaged people, Mpfu stressed this assistance would only be effective if, in the process, it "helped people to help themselves", thus undermining the dependency syndrome.

He criticised government's welfare system as amounting to little more than providing handouts, and said welfare should rather be seen as a mechanism for "empowering" people. The issue of welfare had to be rethought, and people had to see it not simply as expenditure but as social investment.

One way of ensuring that welfare became a means to empower people was to ensure involvement of those at the end of the line. The ANC would place far more value on "the voice of the poor" and would try to involve those affected in decision making.

Increasing the skills and marketability of the unemployed would be a

pivotal aspect of an ANC government's social welfare policy.

Unemployment would not disappear overnight, Mpfu said, and interim initiatives would have to be devised through which unemployed people could be taught skills and brought into employment schemes.

By releasing people from the welfare system, the project would not only alleviate the burden on welfare but also serve to increase the confidence and marketability of the unemployed. One of the major problems in dealing with unemployment was that the longer people remained out of work the more their chances of finding employment decreased, he said.

Welfare would be the biggest challenge for any future government, said Mpfu. The success of the first post-apartheid government would be judged in terms of its concrete performance in eradicating the extreme deprivation of many South Africans. Whether a government could ensure that people had homes, enough to eat, schools for their children and access to health facilities would become crucial questions.

All debates on whether to adopt nationalisation or a free market economy were reduced to the same issue — which system would best alleviate poverty, he said.

Mpfu said the ANC was not sure whether welfare would receive a higher percentage of a future government's budget as there were many sectors which desperately needed increased funding. The solution lay in a better allocation of resources.

Fundamental restructuring of wel-

fare to eradicate current wasteful administration of 14 departments would dramatically increase the social security budget.

The next step would be to address the huge divide between racial groups in the present system of benefits. In the white community at present there was one social worker for every 1 116 people; in the black community the ratio was one to 20 462. All non-contributory schemes, such as pensions and disability schemes, presently paid out benefits on racially discriminatory scales, said Mpfu.

Rural areas, where the worst poverty occurred, had been forgotten and the imbalance would have to be addressed.

Special attention would also be paid to the rehabilitation of communities destroyed by political violence, especially in war-torn Natal, he said. It was simply a matter of rebuilding homes, but intervention was needed to rebuild people's lives and the sense of belonging to a community. The integration of thousands of political exiles into society, which involved most of the department's efforts at present, would continue.

As the state could not carry the full burden for welfare, the private sector would be encouraged to pay more attention to social responsibilities.

Companies did far too little in extending their social responsibility beyond the workplace, he said, and it was time they realised it was in their interests to alleviate poverty, which contributed to political instability and crime.

The department would also propose that companies employ a certain quota of disabled people, Mpfu said.

335

Growth 'threatened by drought'

31 May 28/2/92
PRETORIA — The expected positive growth rate of SA's economy could be "obliterated" in the second half of the year because of the drought in summer crop areas, Agriculture Minister Kraai van Niekerk said yesterday.

He warned the Agricultural Outlook Conference (Agrocon) the commodity control boards would have to be privatised in a market-driven economy.

"We cannot privatise the functions of government but we can and must deregulate and privatise the control boards."

This move was aimed at reducing government involvement in the economy and boosting business opportunities for the private sector.

Van Niekerk said that in the development of the present marketing systems some industries had been over-protected, preventing the optimal use of market and business opportunities.

Van Niekerk said much more than the previously predicted 3-million tons of maize would have to be imported during the 1992/93 season.

GERALD REILLY

If drought conditions persisted, the harvest prospects would weaken to an extent where 4,5-million tons would have to be imported and it would become necessary to mix more than less preferred 50% yellow maize with white maize for local consumption. This would be introduced on May 1.

Van Niekerk said agriculture's net income had declined in the past two years and this year's summer grain disaster would mean a further weakening of total income. The critical cash flow problems of farmers reflected the distressed position of the industry.

Investment in production equipment had decreased sharply in the past two years and this would reflect on the industry's production potential.

Van Niekerk said the continuing increase in consumer spending — which now amounted to R47bn a year — was mainly due to rising food prices and an expanding population.

Bankorp official warns of vast unemployment

31 May 28/2/92
PRETORIA — A sharp increase in unemployment would be the most serious of a whole series of adverse consequences flowing from the disastrous drought in the summer grain areas, Bankorp executive chairman Piet Liebenberg said yesterday.

Speaking at the Agricultural Outlook Conference (Agricon) he said it had been expected total jobs in the economy would increase by 50 000 this year. "We must now rather expect a further decrease of between 50 000 and 100 000 jobs."

This meant that with 300 000 new workers entering the labour market the number of jobless could rise by about 400 000.

Rural areas would be worst affected.

There was a danger of a large scale migration of homeless families to urban areas, exacerbating the squatter problem.

Liebenberg said drought conditions would have a dramatic impact on virtually all aspects of the economy this year.

Apart from the direct impact of a massive drop in production, the indirect effect on other sectors would be more serious than any other drought since the end of the Second World War.

Although the agricultural sector made up only 6% of the economy, negative effects on it had a ripple effect on many other sectors, including manufacturing, banking and transport.

Agriculture's direct and indirect contribution to the economy was about 10% which made it comparable to gold mining.

Many farmers had come to the end of the

GERALD REILLY

road and their spending in other sectors would drastically decline.

The drought would have an intense detrimental effect on economic sub-systems of the northern Free State and the western Transvaal.

Liebenberg said low PPI growth was an indication of financial balance and the softening of underlying inflation pressure.

The CPI increase could fall to 12% by the end of the year and about 10% by the middle of next year.

A growth rate expectation at the end of last year of between 1,5% and 2% would have to be scaled down to 0% to 0,5%.

There was also a risk of a third successive year of a shrinking GDP for the first time since the Second World War ended.

On these grounds, banks' lending rates ought to decline by about three percentage points in the coming 15 months.

The downward phase in the business cycle, which started in 1988, had lasted through 1990 and 1991 and had deepened in the past few months, Liebenberg said.

The domestic downswing could not be associated with the political changes of the past two years.

The recession was more likely the result of excessive domestic credit provision and sharp increases in imports in 1988 and 1989 in a framework of financial sanctions and large scale capital outflow, he added.

Volkswagen strike ballot over productivity targets

By FERIA HAJFAJEE

A STRIKE BALLOT at Volkswagen South Africa (VWSA) in Uitenhage is throwing the spotlight on the company's controversial production targets.

Thirty-nine workers were dismissed at the beginning of February for failing to meet targets in the company's press shop. Management says the workers "repeatedly failed to build the daily

schedule required to fulfil export orders".

VWSA also said that the dismissals were procedurally fair.

But workers feel they cannot meet the new targets. The difficulty of these new targets is borne out by a work study conducted by the National Union of Metalworkers of South Africa which revealed that the machines could not work any faster. It also concluded that raising targets from 160 to 211 parts an hour was unreasonable.

John Gomomo, the Congress of South African Trade Union's president and Numsa's chief shop steward at Volkswagen, says the company turned down a recommendation that the work in the press shop be done on another line.

Instead the workers were dismissed soon after VWSA

announced an export deal to China worth R150-million.

The union and the company were in negotiations for most of this week in an attempt to iron out the dispute. A VWSA representative said the talks had been "positive and co-operative".

The union will decide whether to proceed with strike action or take the matter to arbitration.

The recession has resulted in a freeze on employment in many sectors. It has also seen many companies opting for productivity deals with workers instead of conventional across the board increases.

But these deals are not without their problems. The National Union of Mineworkers recently abandoned the productivity-linked wage deals they concluded with the Chamber of Mines when these hit snags relating to the disclosure of information and a disillusionment among the NUM members with the deal.



John Gomomo

All models are fitted with the Procon-ten safety system

have been sold worldwide. About 2 200 are sold each year in SA.

All models are fitted with the Procon-ten safety system

House loan lifeline

STANDARD Bank has launched an insurance policy to alleviate the effects of retrenchment on home owners.

The plan provides cover if the borrower is retrenched from full-time employment or if his company closes. (335)

The policy is available to those aged between 18 and 55 who have been with the same employer for a year and earn at least R2 000 a month. They must also have a Standard Bank home loan.

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STINESS 1/2/97

Union warning on wage freeze

B/day 4/3/92

THE SA Commercial, Catering and Allied Workers' Union (Saccawu) will oppose wage freezes or further restructuring and retrenchments in the hard-hit retail and service sector.

Saccawu assistant general secretary Kaiser Thibedi yesterday told a news conference the union would meet employers within two weeks to discuss the formation of a central bargaining forum to deal with all matters affecting workers.

"The wage freeze and planned restructuring and retrenchments in the sector are not acceptable as they represent the most comprehensive attack on workers since the emergence of independent trade unions in the late 1970s," he said.

Thibedi said employers could not resolve the crisis individually.

The union would have no choice but to mobilize its workers if employers did not agree to the formation of the forum and a moratorium on retrenchments, he said.

Workers in the sector are expected to receive their smallest wage increases in 10 years this year, most of them below 10%.

OK Bazaars and Southern Sun are reportedly to offer zero increases

next month.

An OK spokesman has said the company was prepared to consider a 5% increase in November if the economic situation improved.

A Southern Sun spokesman said it would guarantee a 6% increase in October.

Saccawu — the biggest union in the retail trade with 90 000 members — is demanding a R285 across-the-board increase at OK with a minimum monthly wage of R1 113.

It also wants a guaranteed 13th cheque.

Checkers intends telling the union it is prepared to liquidate the company if Saccawu impedes its recovery.

It is making a loss at 130 stores, with 12 000 out of 18 000 jobs at stake.

Productivity underpins the crisis. Most employers want to trade job security for agreements to keep wages down, control industrial action and enter productivity and flexibility arrangements to keep companies profitable.

Thibedi said the union would negotiate such agreements with employers at the central bargaining forum.

WILSON ZWANE

335

Fears of Transnet retrenchments

PRETORIA — Transnet had put together a contingency retrenchment policy which was causing anxiety among the organisation's 155 000 workers, Federation of Transnet Trade Unions general secretary Abe Koekemoer said yesterday.

Although the policy had not been implemented, there were fears that it could soon be, due to continuing recession and declining traffic and revenue in virtually all sectors of the organisation.

Koekemoer said Transnet had agreed with the unions on severance benefits.

Koekemoer, who is also vice-chairman of the SA Federation of Labour Unions (Fedsal) warned Fedsal's annual conference this week that a "no" vote in the March 17 referendum would lead to the almost immediate disintegration of the

economy and wholesale unemployment.

If this happened the transport industry would be one of the worst hit and the retrenchment policy would have to be activated.

With a "yes" majority and the stimulus this would give imports and exports, and a greater use of the transport system, the threat of unemployment would disappear and staff numbers might even have to be increased. *B10a76/3/92*

Another issue still ranking with Transnet workers was the affirmative action policy of giving employment preference to blacks. Although this had not yet happened to any great extent the policy had not been altered and it was only where a suitably qualified black could not be found that a white was employed.

Diepmeadow council probe

WILSON ZWANE

THE Transvaal Provincial Administration (TPA) has engaged experts to assist it in its probe into alleged irregularities in the Diepmeadow Town Council.

Transvaal MEC for local government Burger Lategan said the probe was ordered two weeks ago after complaints had been received from members of the Diepmeadow community about irregularities in the council. *B10a76/3/92*

It is understood that allegations of corruption have been levelled at the Diepmeadow town clerk and two Diepmeadow Town Council members.

Lategan said the administration had appointed experts on local government to look into the matter as the "TPA requires that even the slightest suggestion of irregularities should be thoroughly investigated".

He said the investigations would be concluded as soon as possible.

"If they yield evidence of irregular conduct, firm steps will be taken against those involved," he said.

Less jobs now than in the 30's

ET6/3/92 (335)

Staff Reporter

UNEMPLOYMENT figures in South Africa are worse now than they were in the Great Depression years of the early 1930s, Mr Charl Adams, Human Resources Manager for the Cape Town Chamber of Commerce, said yesterday.

Estimates showed between 300 000 and 500 000 people in the Western Cape were unemployed, as were five or six million countrywide, he said.

According to the Unemployment Insurance Fund claims had jumped by 39% in one year, Mr Adams said.

Industrial court specialist Mr Michael Bagraim, who addressed the same seminar, "Is there life

after retrenchment?", said the courts were increasingly taking cognisance of the shortage of jobs.

Although it had been established, in some provinces at least, that employees were not always entitled to retrenchment packages, the trend in the courts was to insist that companies give every assistance possible to staff members who were being retrenched.

"You have to go the extra mile because of the state of the economy," Mr Bagraim said. "The court is saying, 'don't just look at placing them elsewhere in your own company, look outside as well'.

"Even if your company is struggling, you can afford to phone around for your staff."

Employees who were being re-

trenched ought to be given decent periods of notice, references, time off to go to interviews during the notice period, and even a reasonable amount of help in finding another job.

"People are bringing cases asking for damages against businesses, asking up to six months' worth of salary, just because they were not given any assistance during the retrenchment process," he said.

Case law was likely to establish a legal obligation on employers to do something to help "retrenchees" to get another placement.

Courts sometimes suspected that companies were using retrenchment in place of dismissals and it was likely that in future such cases would be very carefully probed, Mr Bagraim said.

LABOUR

NUM angry at Eskom's restructuring

By Ferial Haffajee

HALF of Eskom's workforce will fall victim to the organisation's restructuring plans, the National Union of Mineworkers alleged this week.

The union accused Eskom of unilaterally adopting measures to make workers redundant.

Eskom is allegedly using prison labour to do its gardening, contracting out cleaning, line construction and security services and using casual labour instead of those workers whom it says are redundant.

The union also alleges that the South African Police is patrolling Eskom power stations and hostels and that the company is employing young white workers to replace workers who leave its employ.

In the past six years, Eskom has slashed its workforce by more than 27 percent, representing the retrenchment of about 19 000 workers. And according to Gwede Mantashe, an organiser at Eskom, the company plans to reduce its workforce to 33 000 from a complement of 67 000 workers to satisfy its plans to corporatise and increase profits.

"In recent meetings, Eskom has indicated an additional surplus of workers," says Mantashe.

Eskom's George Lindeque said he had made full representations to the NUM about the company's restructuring plans. Eskom followed a policy of no forced retrenchments and also offered early retirement options and redeployment within Eskom.

The NUM has called on Eskom to suspend its restructuring plans and to link any such exercise to the economic forum negotiations between Cosatu and big business.

Saccawu softens line to stem job cuts

W/Mail 6/3-12/3/92
Weekly Mail Reporter

THE militant South African Commercial, Catering and Allied Workers' Union (Saccawu) has hinted that it may be willing to enter job flexibility and productivity arrangements with beleaguered employers in a move to stem job cuts.

At a Johannesburg media conference this week, called in reaction to demands by three groups for wage freezes this year, Saccawu general secretary Kaiser Thibedi said the union "was not dogmatic" and "would negotiate on anything".

However, the union also indicated that the creation of industry-wide bargaining forums was a pre-condition for productivity talks.

Thibedi described an agreement by "80 percent" of Saccawu-organised companies to join an industry-wide provident fund as a breakthrough. But intensely competitive major groups have consistently stonewalled demands for sector bar-

gaining structures.

Saccawu members face a bleak year following employer proposals at the start of annual pay talks with OK, Southern Sun and the Kairos hotel chain for a pay freeze.

Thibedi said he feared this would set the trend for other pay talks, commenting that the wage freeze, coupled with employer plans to meet the crisis through restructuring and retrenchments, represented the most "comprehensive and dangerous attack" on the labour movement since the 1970s.

According to national organiser Allan Horwitz, the Federated Hotel, Liquor and Catering Association (Fedhasa) is pursuing a sector-wide policy of zero increases. The union also complains of massive casualisation.

OK, already in dispute with the union over the closure of 20 stores, has offered to open its books and suggested an immediate move to media-

tion. Saccawu has demanded the chain grant a R285 monthly across-the-board rise and a minimum wage of R1 113 a month, plus a 13th cheque. Both OK and Southern Sun have agreed to consider a small increase late in the year — but only if trading conditions improve.

Market leader Pick 'n Pay said this week its pay award "would not come near" union demands for a R230 across-the-board increase and a R1 100 minimum wage. The chain's current offer — R170, or 15,4 percent on average — is unlikely to be exceeded in other pay rounds due to start soon.

Saccawu was to meet Pepkor on Wednesday to discuss the parlous state of its subsidiary Checkers, which claims 130 of its stores are running at a loss and has warned that it will go into liquidation if the union hampers recovery. Liquidation would put at least 10 000 people out of work.

One in every 5 people jobless

CT 7/3/92
(335)

PRETORIA. — One of the shock findings of the 1991 population census is that one in every five people, or 19% of the total population, are unemployed.

The first report on the census, which will be released today, found that more than 1,62 million blacks are unemployed.

The last census, which did not include the TVBC countries, was conducted in 1985.

The unemployment rates for the various population groups are whites 4%, coloureds 16,6%, Asians 12,8% and blacks 24,5%.

The census report records that, compared with 23,38m in 1985, the South African population (including the self-governing territories) stood at 26,28m by March 7 1991, census day.

The black population increased from 15,16m in 1985 to 17,97m.

The 1991 figures for other groups are (with 1985 comparisons in brackets) coloureds 2,92m (2,83m) and Asians 86 3874 (82 1361). The figure for whites was not given.

Certain interesting trends emerged from the preliminary report of the census:

●Language choice:

Nearly 100% of Asians prefer English as a home language.

Against this, 39% of whites, 15% of coloureds and 0,2% of the black population reported English as their home language.

Afrikaans, on the other hand, was reported as a home language by most whites (57,6%) and coloureds (83%).

The home language spoken by most blacks is Zulu (38,7%), followed by Northern Sotho (15,1%) and Xhosa (12,7%).

●Level of education:

For the population as a whole, the proportion of people in possession of a Std 6 or higher level of education increased from 32,6% in 1985 to 39,3% in 1991.

For the black population, the proportion of people in possession of a degree almost trebled since 1985, while this proportion has doubled for coloureds. For Asians, it increased by half and for whites by a quarter.

●Religion:

Results showed most people belonged to the black independent churches, the Dutch Reformed, the Roman Catholic and the Methodist churches. — Sapa

By MONWABISI
NOMADOLLO

335

AN EAST Rand company came to a standstill this week when its entire black workforce went on strike after one of their white colleagues was fired for allegedly distributing anti-VAT pamphlets last year. *City Press 8/3/92*

Portuguese immigrant and unionist Mario de Castro was allegedly dismissed in November last year at the Nigel plant of a specialist electrical pylon manufacturing company, Feralin, said the National Union of Metalworkers (Numsa).

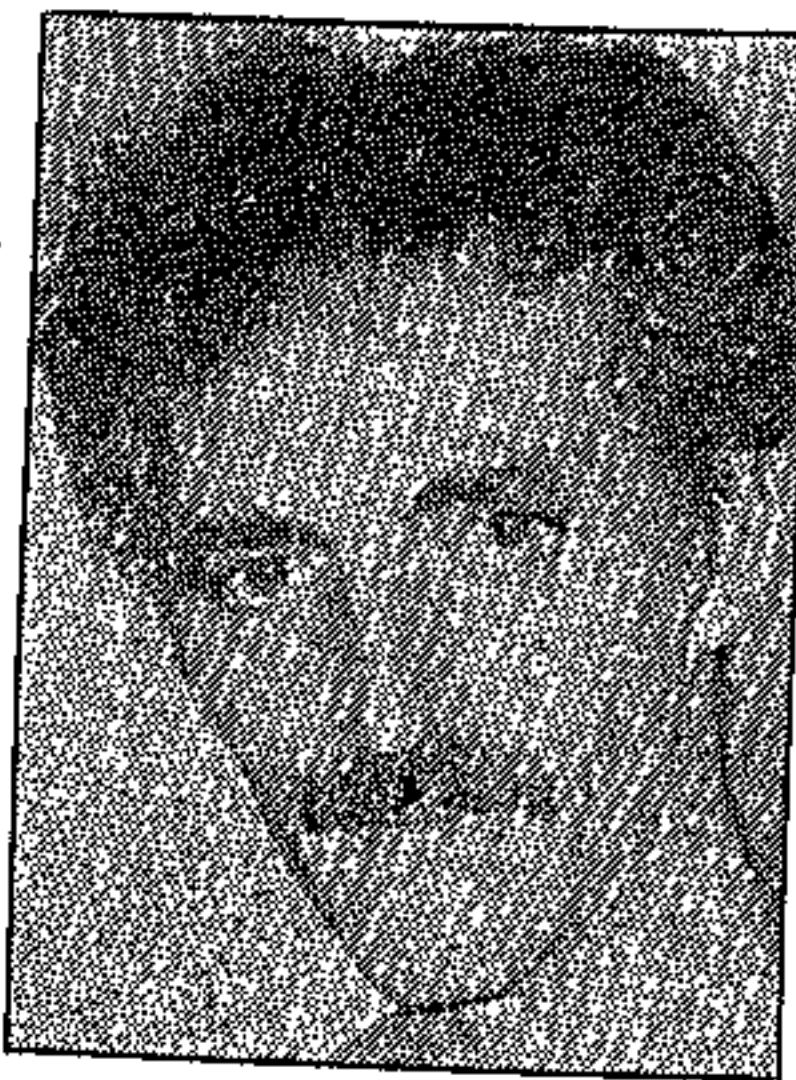
Feralin spokesman G Apostolidis declined to speak to City Press about De Castro's case before the matter went into arbitration.

The strike entered its 12th day yesterday, said Numsa organiser Rolly Xipu.

Xipu added that the 500 black workers were demanding De Castro's reinstatement.

In a message to his black colleagues De Castro said he was fired for, amongst other things, defending workers' freedom of speech and expression – and for negotiating a minimum R2-an-hour increase for all workers, irrespective of their colour.

Blacks strike for white colleague



FIRED UNIONIST ...
Mario de Castro.

8/3/92

He added that he was fired last year "within 10 minutes, without a written warning with a signature attached to it."

During the November 4 and 5 stayaways against the introduction of VAT, De Castro distributed anti-VAT literature to three colleagues, he said.

"On November 6, I was called by the management and fired on the spot," he said.

De Castro said he has been working for the company since February 1986.

"The management has been at pains to find an

excuse to get rid of me because I have been at the forefront of the workers' struggle," he said.

"The company does not like or even recognise Numsa," alleged De Castro.

The management and Numsa have reached a deadlock on negotiations concerning De Castro's future in the company, since negotiations started last Wednesday, Xipu told City Press.

Xipu said the company wanted to offer the fired man R11 000 to pay him off and settle the matter.

But, the union wanted R20 000 paid to De Castro, failing which he should be reinstated, Xipu said.

He also accused the company of recognising Inkatha-affiliated Uwusa and not Numsa, which had "proven support in the company".

Xipu said after Numsa declared a dispute with Feralin over the dismissal, 96 percent of the workforce voted in favour of going on strike to demand De Castro's reinstatement.

Census '91 figures show massive unemployment

PRETORIA — The scope of SA's massive unemployment problem is clear from the 1991 census figures released at the weekend by the Central Statistical Service.

The CSS figures show that 19% of the economically active population considers itself unemployed.

Black unemployment reached a level of 24,5% last year, the census indicated. White unemployment was estimated at 4%, and that for coloureds and Asians at 16,6% and 12,8%, respectively.

About 83 000 whites, 202 000 coloureds, 43 000 Asians and 1 612 000 blacks were without work.

CSS director Treurnicht du Toit pointed out that results contained in the first report on Census '91 had not yet been adjusted.

The data is being validated by demographer and economist Prof J L Sadie and by Unisa's Bureau for Market Research.

Growing unemployment in the country was also indicated by the proportion of the total population

which said it was self-employed, which was almost double the 1980 census figure. For the coloured and black populations it more than doubled. Whites self-employed increased by 67% and Asians by 96%.

From 1985 no significant changes occurred in the percentage distribution of workers in the various occupations, except in the agricultural occupations where numbers employed decreased by 27%.

On income, the census revealed that most whites (38,7%) and Asians (40,1%) fell into the income category R10 000-R29 999 a year. However, most coloureds (28,7%) and blacks (33,2%) fell into the income bracket of R1 000-R2 999 a year.

For the whole population, less than one out of every 200 persons indicated an annual income in excess of R200 000.

The census found that the services sector remained the biggest employer, with more than one in

every five of the economically active population involved there.

Manufacturing was the second biggest employer, but employment in the sector decreased from almost one in six in 1985 to one in eight in 1991.

Commerce moved from being the fourth bigger employer in 1985 to replace agriculture as the third biggest last year. Commercial concerns employed 10,8% of workers in 1985 and 11,9% in 1991.

The report showed a big increase in the number of working women. From 1960 to 1991 the numbers of economically active white women increased from 19% to 36%. The proportion of men remained at 56%.

The number of coloured women working increased by half in the same period.

Asian women, too, were more active in the economy. In 1960 one in 20 was economically active. This rose sharply to one in every four in 1991.

The number of working black women doubled between 1960 and last year.

335
B/Day 9/3/92
GERALD REILLY

19% jobless in SA — CSS

335

CT 9/3/92

From GERALD REILLY

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The number of working black women doubled between 1960 and last year.

GERALD REILLY

B/Day 9/3/92

335A

BTR Dunlop verdict due today

SA's longest strike by more than 900 BTR Dunlop workers could be closer to resolution if an Appeal Court hearing today rejects BTR Dunlop's appeal against a 1989 Supreme Court decision in favour of the union.

The Supreme Court decided the president of the Industrial Court should have recused himself as he had associated himself socially with BTR management. BTR wants that decision set aside so the Industrial Court judgement — that the dismissal of strikers was legal — would hold.

Ex-BTR worker and Numsa organiser Phillip Dladla said the majority of workers dismissed in 1985 were still unemployed, meeting regularly and demanding their jobs back.

DIRK HARTFORD

He said their dismissal had a devastating effect on Howick as BTR Dunlop was the major employer there. But the union had organised a T-shirt and agricultural co-op which had provided income for some.

Dladla said Numsa's campaign to get the dismissed workers reinstated had been one of the biggest waged by the union movement. This included:

- ☐ Numsa representatives attending BTR's general meeting every year to put the strikers' position;
- ☐ An international tour by a drama group of Sarmcol workers; and
- ☐ Solidarity action by Dunlop workers in SA and abroad.

Manufacturing industry losing confidence Further job losses on the cards, says Sacob

By Sven Lünsche

335

STAR 10/3/92

Both skilled and unskilled employment levels in the manufacturing industry will fall further this year, according to a survey by the SA Chamber of Business (Sacob).

Sacob adds that businesses are marking time ahead of next week's referendum, which is casting a shadow over confidence levels in commerce and industry.

Sacob chief economist Dr Ben van Rensburg says business confidence is fragile at present.

"Three factors are needed to stimulate confidence — political certainty, tax relief and lower interest rates. Without these confidence will remain stagnant," he says.

Sacob's Business Confidence Index, which is compiled from 16 major economic and financial statistics, thus shows an unchanged level for the third successive month. (see graph)

Manufacturers in particular are sensitive to political developments, as they have become more export-oriented over the past few years.

"Clearly a large number of industrialists believe that a referen-

dum result that is negatively received by the rest of the world is most likely to have an immediate impact on their business," Sacob economist Keith Lockwood says.

Furthermore, he adds, the stated reaction of many foreign governments to a "no" majority in the referendum once again raises the spectre of international economic isolation.

It is not surprising therefore that up to 30 percent of manufacturers surveyed by Sacob predict a further decline in the number of unskilled people they employ. Over 15 percent also forecast a fall in skilled employment.

Fixed investment levels are also set to stagnate — according to the survey a net four percent of manufacturers plan to expand their production facilities.

Apart from political developments, Sacob urges the Minister of Finance to press on with the process of tax reform.

While there are few expectations within the business community of a reduced tax burden after next week's Budget, tax relief is essential to underpin the chances of eventual economic recovery.

"Sacob continues to believe that despite the pressure on the fiscus and concerns over the size of the deficit before borrowing, there is still scope for reductions

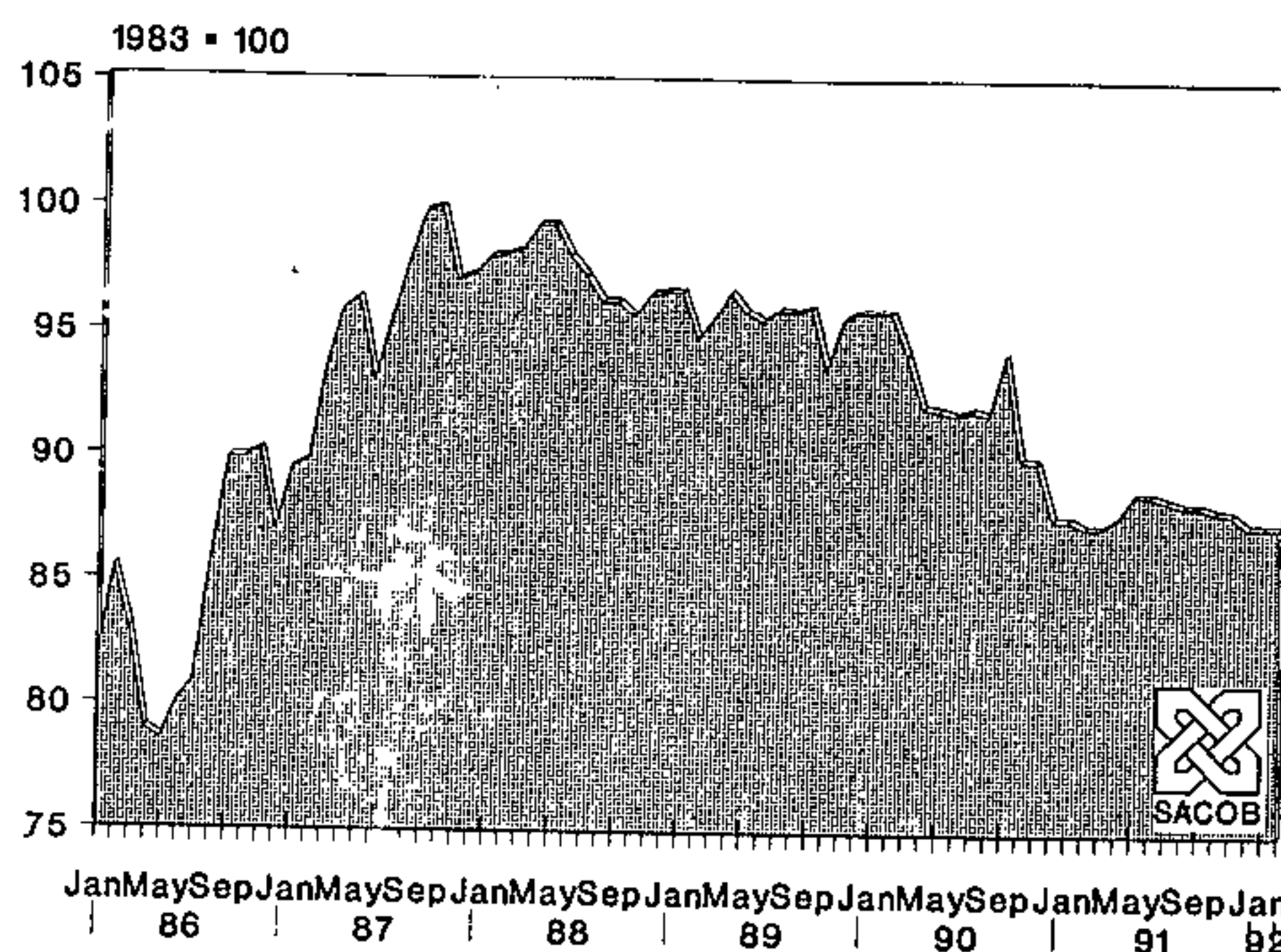
in the tax burden by the re-prioritisation of state expenditure.

"At the least nothing should be done in the forthcoming Budget that serves to further retard the international competitiveness of the business sector," Dr van Rensburg says.

Looking at the current state of the economy, Sacob says that the recent rise in imports suggests that domestic activity levels may be increasing, as does the slight turnaround in the level of manufacturing production.

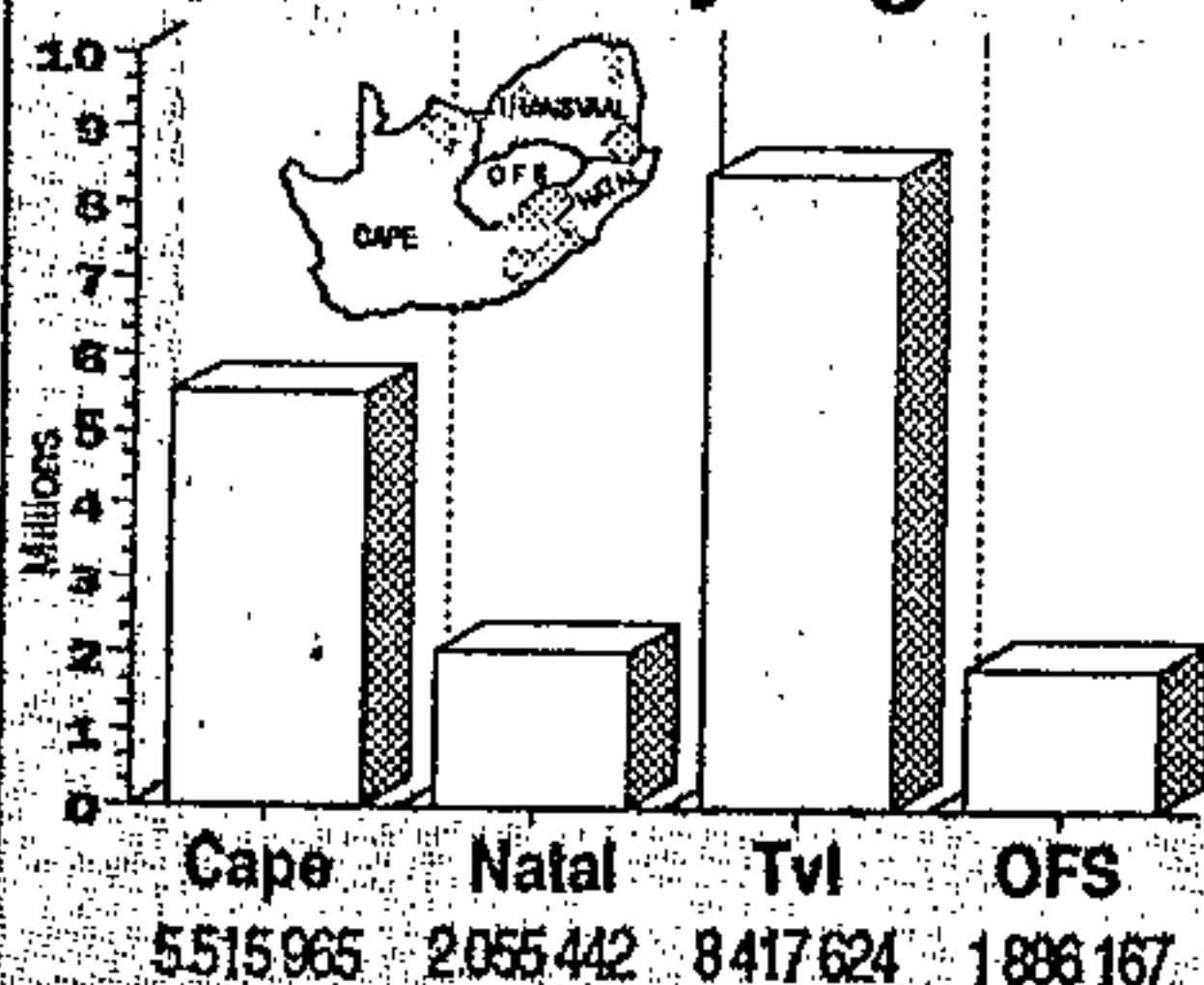
"The continued decline in the BA rate will also have helped to reduce part of the interest burden on business, and continues to indicate an anticipation in the market that other short-term interest rates will also decline in the near future," Sacob comments.

The Chamber adds, however, that the decline in merchandise exports and retail sales, and the fact that the inflation rate remains high, "suggest that the economy has not yet switched into recovery mode".

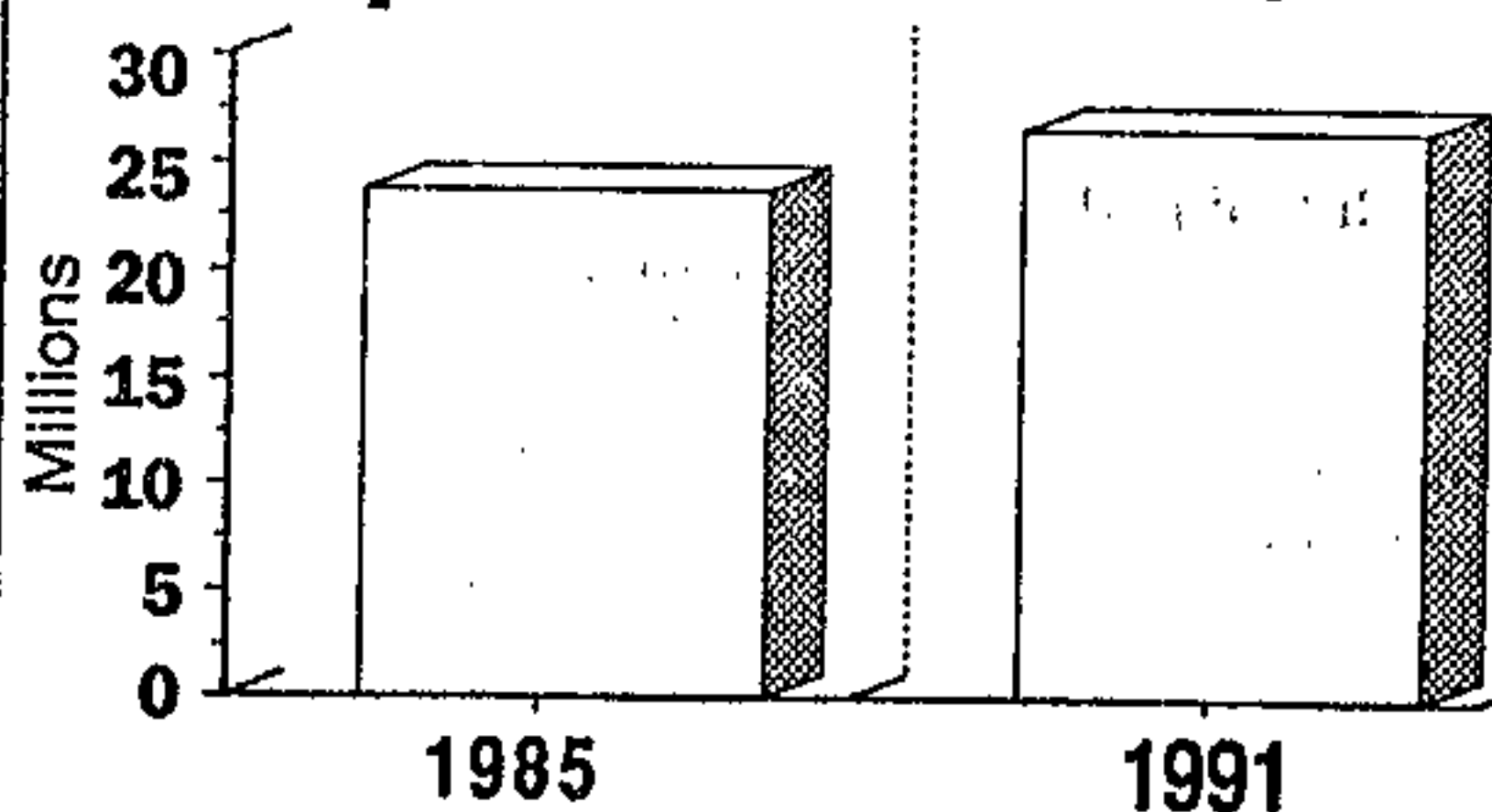


The Business Confidence Index continues to decline.

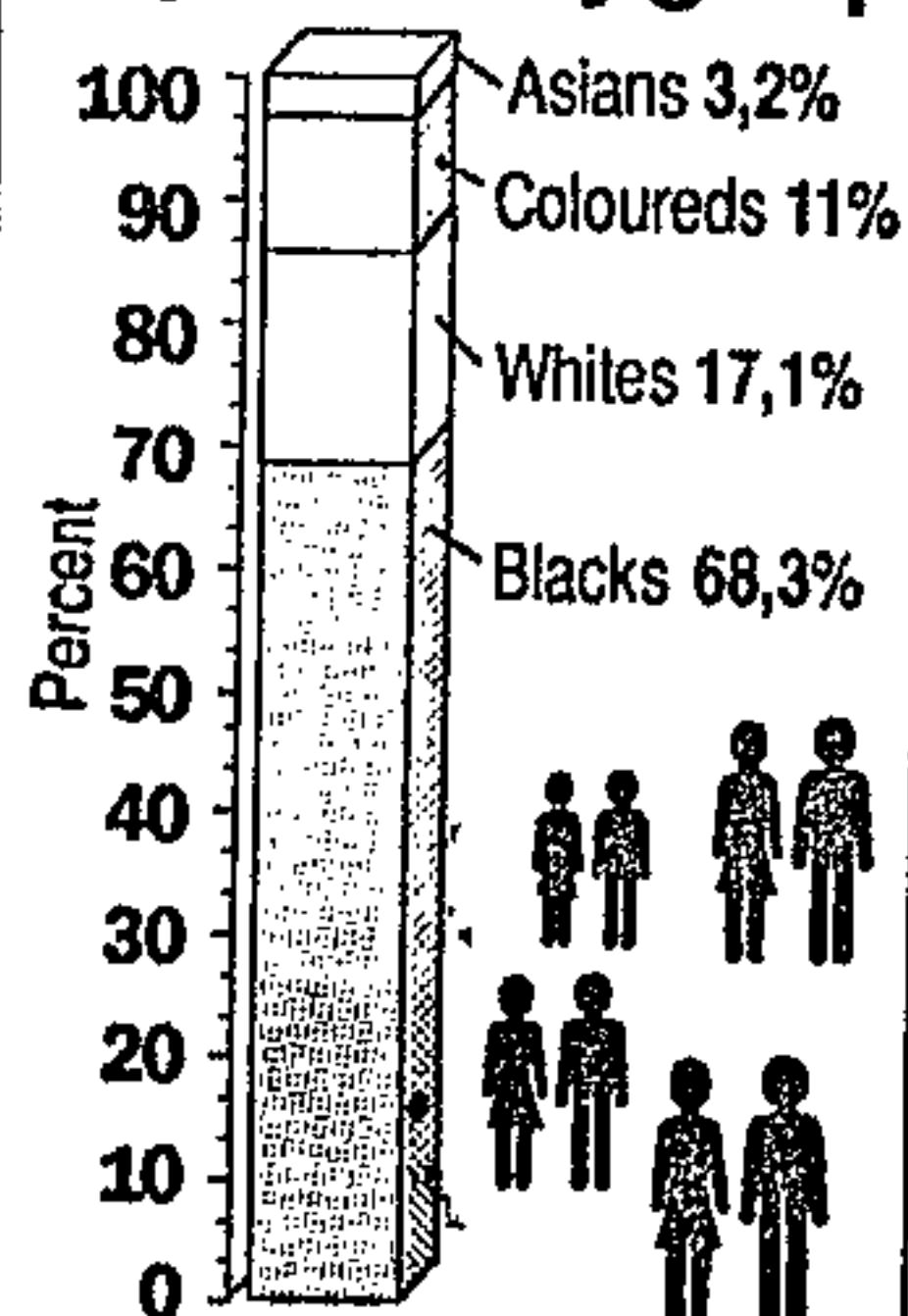
Population by region



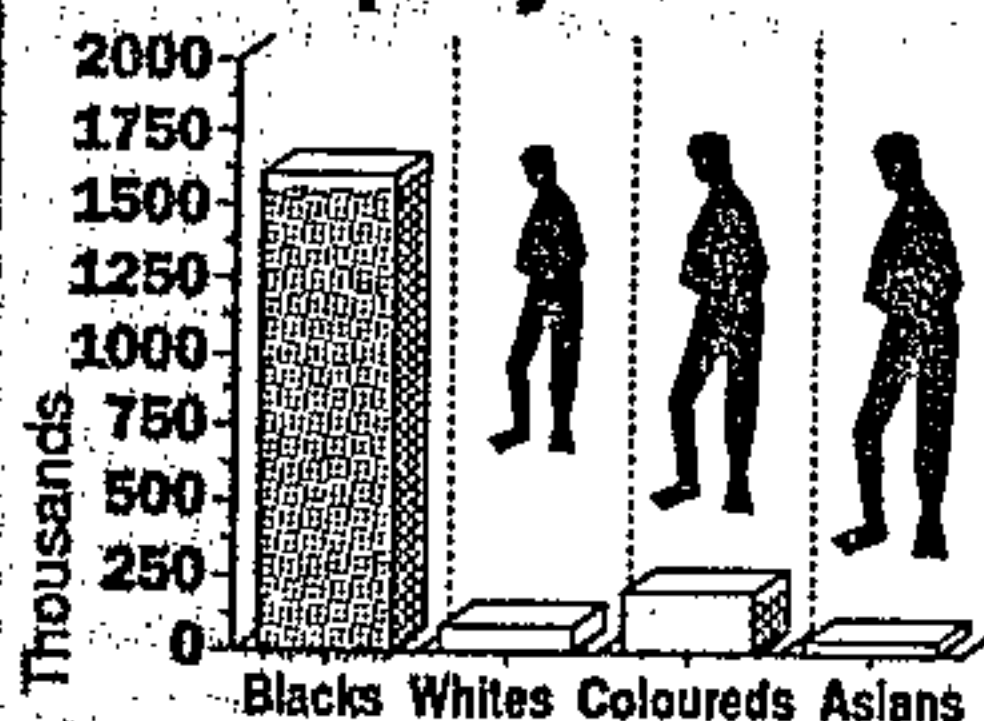
Population increase



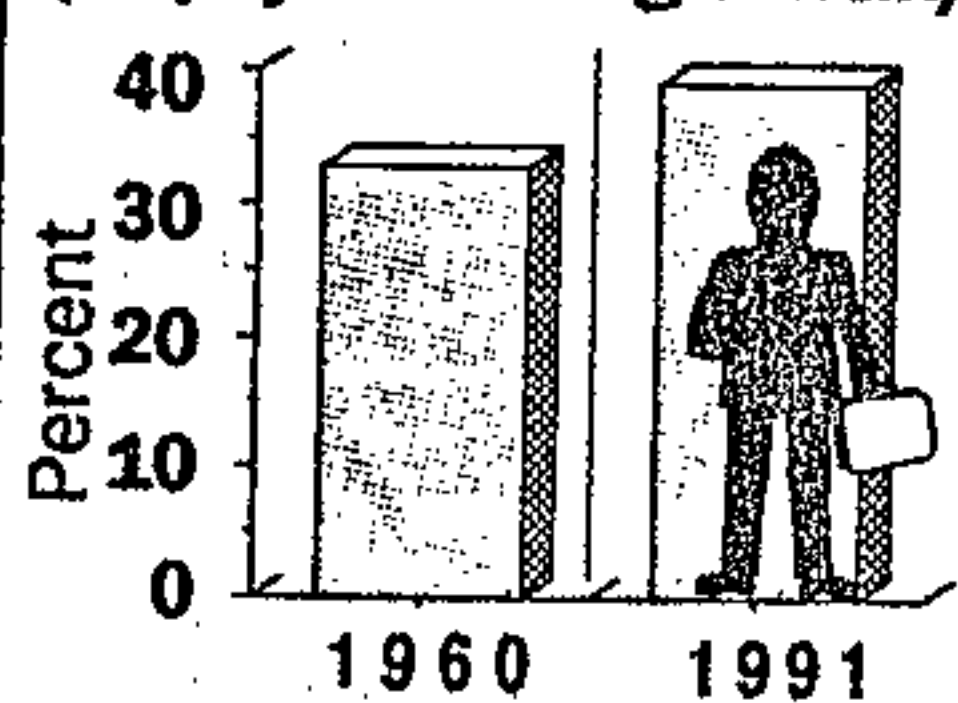
Population by group



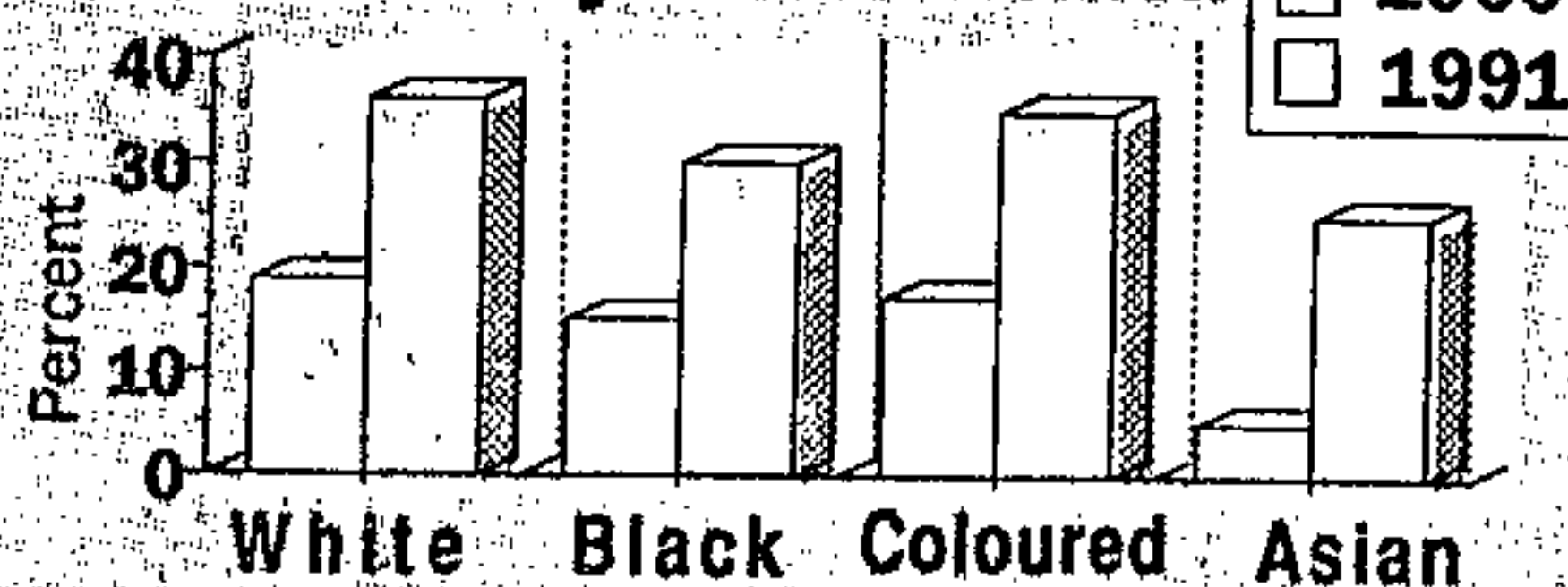
Unemployment



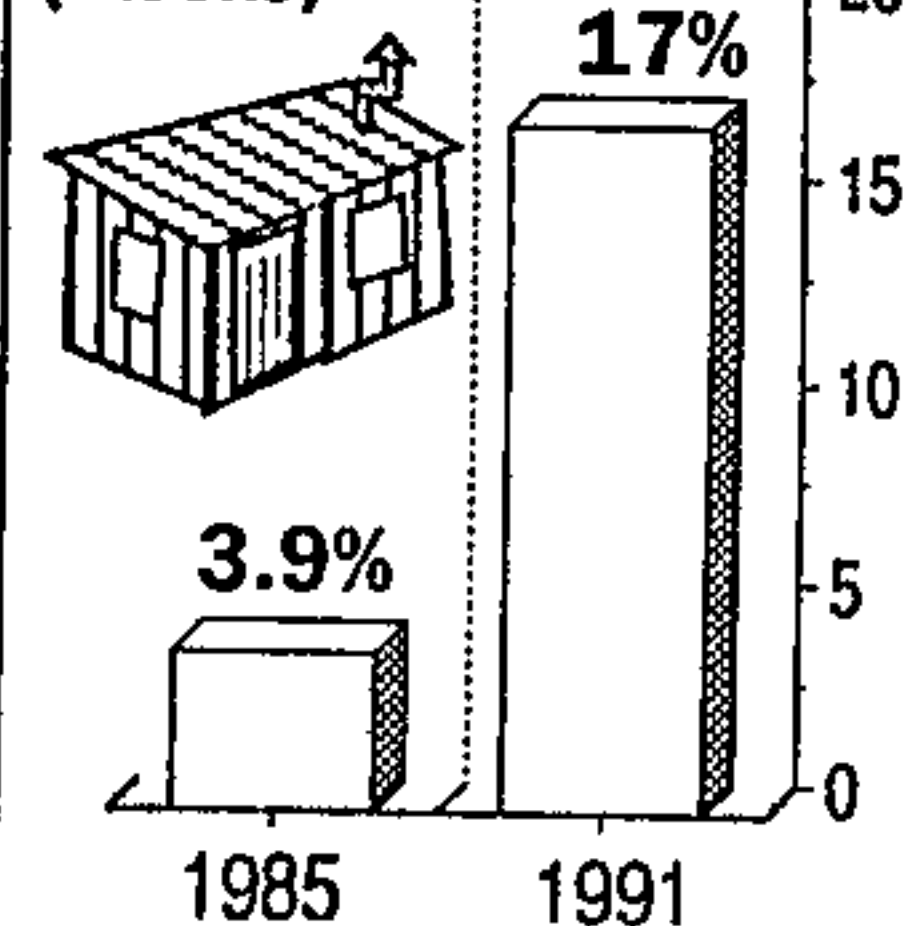
Economically Active (Employed or looking for work)



Economically active women



Living in shacks (Blacks)



(Whites)
The 1991 census recorded 49 in Johannesburg and 89 in Krugersdorp

Years of hardship take their toll

STAR 11/3/92 (335)

THE 1991 census reveals, in cold statistics, the increasingly bleak scenarios painted by economists and urban planners over the past few turbulent years.

Unemployment figures are alarming, the population spiral is worrying and cities are overburdened with poverty-stricken rural migrants.

The need for foreign investment is that much more real when considering the fact that only 39 percent of the total population was economically active in 1991 — and knowing that 1992 has already seen thousands more industry lay-offs.

Predictably, blacks are most severely affected by unemployment. There were 1 612 000 earning no income last year. Jobless whites numbered 83 000 while 202 000 coloureds and 43 000 Asians were out of work.

The stunting of commerce and industry through international isolation and economic recession has forced people into the informal sector.

More than double the number of blacks and coloureds were

Recent hard times in South Africa have resulted in a great deal of flux and change in the lifestyles of South Africans. This is starkly apparent in the 1991 census released last week by Central Statistical Services. HELEN GRANGE reports.

self-employed in 1991 compared to 1980, while the figure rose by 67 percent for whites and 96 percent for Asians.

The services sector still remains the most important employer in the country, with one out of every five economically active people involved in it last year. The manufacturing industry and commercial sector followed respectively.

Agriculture, which in 1985 was the third biggest employer, was in 1991 only fourth.

The largest concentration of people was in the Transvaal (8 417 624), but urbanisation was most pronounced in the Cape, where 80 percent of people were living in urban areas compared to 70 percent in 1985.

On a national scale, 17 per-

cent of blacks lived in shacks compared to 3.9 percent in 1985.

The census recorded 49 whites living in shacks in Johannesburg and 89 white shack-dwellers in Krugersdorp.

The population has increased by more than 2.9 million since 1985, standing at 26.28 million on census day (including self-governing territories).

While whites are ageing and having fewer children, blacks are continuing a strong reproductive pattern indicated in the fact that 40 percent were under the age of 20 last year.

But there are signs that the general population growth is slowing. The largest age group in the census was between five and nine, 200 000 more than the group aged five and under.

From 1960 to 1991, the num-

bers of economically active women rose substantially.

Working white women increased from 19 percent to 36 percent, coloured women working increased by half in the same period, while their black counterparts also doubled in the workplace. Asian women fitted the same pattern.

On the education front, there was also progress, even if painfully slow. In 1991 a larger percentage of blacks had degrees, the figure having almost trebled since 1985. For the population as a whole, the proportion of people with a Std 6 or higher increased by 7 percent.

One interesting trend is that of the English language. It is the Asian community, not the white community, which is most responsible for it upkeep. Some 95 percent of Asians spoke English at home. Only 39 percent of whites, 15 percent of coloureds and 0.2 percent of blacks spoke English at home.

Most blacks spoke Zulu (38 percent), followed by Northern Sotho (15 percent) and Xhosa (12 percent).

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11/3/92

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On a national scale, 17 per-

cent of blacks lived in shacks compared to 3,9 percent in 1985.

The census recorded 49 whites living in shacks in Johannesburg and 89 white shack-dwellers in Krugersdorp.

The population has increased by more than 2,9 million since 1985, standing at 26,28 million on census day (including self-governing territories).

While whites are ageing and having fewer children, blacks are continuing a strong reproductive pattern indicated in the fact that 40 percent were under the age of 20 last year.

But there are signs that the general population growth is slowing. The largest age group in the census was between five and nine, 200 000 more than the group aged five and under.

From 1960 to 1991, the num-

bers of economically active women rose substantially.

Working white women increased from 19 percent to 36 percent, coloured women working increased by half in the same period, while their black counterparts also doubled in the workplace. Asian women fitted the same pattern.

On the education front, there was also progress, even if painfully slow. In 1991 a larger percentage of blacks had degrees, the figure having almost trebled since 1985. For the population as a whole, the proportion of people with a Std 6 or higher increased by 7 percent.

One interesting trend is that of the English language. It is the Asian community, not the white community, which is most responsible for it upkeep. Some 95 percent of Asians spoke English at home. Only 39 percent of whites, 15 percent of coloureds and 0,2 percent of blacks spoke English at home.

Most blacks spoke Zulu (38 percent), followed by Northern Sotho (15 percent) and Xhosa (12 percent).

No means sanctions and huge job losses

By ROBIN PEGLER and CIARAN RYAN 335

THE consequences of a No vote on Tuesday will be devastating for JSE-listed companies with established export markets.

Capital investment in projects such as Columbus Stainless Steel and the Genref refinery would be halted.

Particularly affected would be companies involved in the export of paper, pulp, coal, metals and minerals, fruit and sugar.

They include Sappi, Anglo American Industrial Corporation (it has holdings in Highveld Steel, Mondi and Boart), Samancor, Amcoal, Trans-Natal, Rand Coal (formerly Witbank Colliery), Iscor, Langeberg, Tongaat-Hullet and CG Sugar.

Value

The R3-billion Columbus venture between Highveld and Samancor would almost certainly be scrapped. The feasibility study said it was only possible if there were no sanctions.

Although ferrochrome and ferromanganese are strategic metals and therefore not subject to sanctions, extreme pressure would be placed on consumers to find other sources of supply. This would affect Samancor and Consolidated Metallurgical Industries.

Middelburg Steel & Alloys' stainless-steel operations, recently acquired by Highveld-Samancor from Barlows for R500-million, would also be threatened.

In terms of tonnage Iscor exports half its output, although the value is less than half.

Coal is SA's second-largest export, earning R4.2-billion in 1991. Coal sanctions would be reimposed almost immediately.

Rand Coal managing director Rick Mohring says about half the company's

coal is exported. The loss of markets would force the mine to retrench half of its labour force of 12 000.

Mr Mohring says: "Then there is the multiplier effect caused by the loss of these jobs. Several other people rely on the mining industry. A total European Community ban on coal from SA is a distinct possibility in the event of a No vote."

Citrus and deciduous fruit exports are worth about R1.2-billion a year, much of which would be lost in the event of a reimposition of sanctions.

A Sappi spokesman says about 50% of group products — including those of Usutu and Sappi Europe — are sold abroad. A loss of markets would force the company to retrench many of its 18 000 workers.

Businessmen say a No vote will outrage the international

community which will respond with a sanctions drive far more severe than any before.

The cost of a No vote would be the loss of tens of thousands of jobs within weeks and a freeze on investment, both here and abroad.

Barring the possibility of an outright ban on investment in SA, pure rand-hedge shares, such as Richemont, Minorco, Charter and Lonrho, would appreciate in proportion to the decline in the financial rand. The financial rand would plummet as capital fled SA.

Under a Conservative government, expenditure would be concentrated on the police, military, public-sector pay rises and bailing out farmers, all of which would be inflationary. Spending on black housing, health and education would probably be curtailed.

15/13/92 Times (Business)

Top businessmen warn of job losses if 'no' vote wins

STTimes 15/3/92

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A SCIENTIFIC poll of top SA businessmen this week shows the overwhelming majority expect plunging profits, retrenchments and isolation as an immediate consequence of a "no" vote.

By BRIAN POTTINGER and CHARLENE SMITH

Estimates of unemployment as a direct and immediate consequence of a "no" vote ranged from a modest three percent of staff to 30 percent.

The poll — the most comprehensive survey yet of business sentiment on the referendum — was conducted among 120 companies by Research Surveys of Cape Town.

The questionnaires were answered by chief executive officers or top executives.

Drop

Ninety percent believed it would affect their com-

panies. Many believed they would be denied technological exchanges, technological support and licensing contracts.

The overwhelming majority confirmed it would affect their investment decisions and expected a drop in company turnover.

Impact

Only two percent of those polled said they felt "positive" about a "no" vote.

The poll reflects the deep concern among South African businessmen — particularly the larger corporations — about the effect of a "no" vote on the economy.

In the last two weeks a number of top companies have written to employees advising them of the negative impact of a "no" vote on the company and possible risks to their jobs.

Mr Peter Searl, chairman and MD of Volkswagen, advised white employees that if the world decided to act against South Africa following a "no" vote in the referendum, virtually all export business would be lost overnight, probably resulting in thousands of jobs being lost in the Eastern Cape.

A "no" vote would mean the imposition of penalties, sanctions and punitive action that would make previous measures "look like a picnic", Mr Searle said.

Sasol told workers that if sanctions were reimposed, up to 6 000 people at Sasol One and Sigma could lose their jobs.

Johannesburg Consolidated Investment chairman Pat Retief, in a letter to employees, said: "If we cannot sell our production because of reimposed sanctions both your job and my job will be threatened. Continued reform is important because it is the only way to free the economy so it can grow."

Simpson McKie Inc, major JSE stockbrokers, said that, while they were not in the business of party politics, they knew about local and international financial markets.

Hope

They warned a "no" vote could result in the massive destruction of wealth, whether shares, mutual funds/unit trusts, retirement annuities, pension funds, gilts or property.

"There will also be little hope of a subsequent recovery, and a big increase in suffering by way of even worse unemployment."

Mr Andries Beyers, Conservative Party chief secretary, hit back at employers urging their workers to vote "Yes".

He said it amounted to "intimidation" and warned that a record was being kept of those companies and they should not be surprised if, after this "interference" in the democratic process, steps were taken against them.

(News by Brian Pottinger and Charlene Smith, 11 Diagonal Street, Johannesburg)

ABI fires 131 workers after mass inquiry

IN WHAT could be an industrial relations precedent, ABI has dismissed 131 Coke truck assistants after a mass disciplinary inquiry. (487)

The Food and Allied Workers' Union (Fawu) said the inquiry followed an assault on a Fawu member — allegedly for "scabbing" during a strike sparked by workers' dissatisfaction over the negative outcome of a breathalyser test on a depot manager. The workers claimed the manager was inebriated and that he did

DIRK HARTFORD

not conduct the test — on himself — properly. *BIDay 17/3/92*

ABI said the workers were found guilty of assault and insubordination.

Fawu said the workers were given 30 minutes to appeal. They refused and were dismissed. Their dismissal sparked a one-day sympathy strike at ABI plants in the Transvaal involving 2 000 of ABI's 4 500 workers.

Fawu condemned both the attack on the worker and management's

"unprocedural and irresponsible" handling of the situation. The union said ABI breached its recognition agreement by not giving 48 hours' notice of a disciplinary inquiry.

ABI said the "crisis situation" demanded a shorter notice period and that workers had been given sufficient notice. (335) (487)

Fawu is demanding the immediate reinstatement of the workers and has applied for a conciliation board hearing on the dismissal.

Game lodge wins locals' nod

PHINDA, the new luxury game lodge near Lake St Lucia in Natal, appears to be succeeding in achieving the most difficult of its initial aims — gaining the support of the impoverished local black population.

Phinda was opened in October last year by the Conservation Corporation, a new company headed by Londolozi's co-owner Dave Varty.

Central to the venture, Varty says, is the phrase "Care of the land, care of the people, care of the wildlife". Preserving wildlife in the colonial manner, by shutting off game reserves to resentful local blacks, would not work: the project had to have the active support of the local people.

Phinda is now six months old, and although it is hard to gauge the overall feelings of the surrounding population — the Zulu communities are very rural and scattered — all the locals involved with Phinda are full of praise.

Phinda's GM, Les Carlisle, says the Corporation is not satisfied with the old third-world investors' adage of "we're providing jobs for people who would otherwise have had no hope". The locals have been consulted on every development, from the building of fences to restocking the reserve.

The reserve employs 170 black staff, and "resource exchanges" take place between

DARIUS SANAI

the reserve and the locals, who can buy wood for basket-weaving and fire-making, leaves for beer-making, and various plants for traditional medicines.

Walter Zulu, a local farm labourer who has been appointed community relations officer by Phinda, says the reserve has made a significant difference to over 1 000 local people. "They can't stop praising the place," Zulu says. "Most of them have never earned that much". Starting salary for Phinda employees is R300 a month, compared with between R45 and R100 for farm labourers.

Aware

Phinda is also triggering a fundamental change in attitude on the part of the locals. "The workers have never been treated well, so having staff committees, and a white management that actually comes and asks for the opinion of local people, is changing the way they think", Zulu says.

"And they are becoming aware of what game is and why it should be there; they appreciate it."

Phinda has shown local children pictures and slides of the big game which will be roaming the reserve once the restocking process is completed.

8/Day 18/3/92

Zulu said most of the wild game which once roamed the area had been killed by hunters: blacks killed antelopes and wart-hogs for food, while whites killed predators such as lions and cheetahs.

"We also appreciate the return of lions and other wild game because they feature in Zulu mythology," Zulu says. Most of the local Zulu chiefs have only ever seen a lion at the circus or zoo in Durban.

Carlisle says his open approach has also cut down poaching drastically, without the need for expensive counter-measures and guarding. "They understand our game has a value, just like their farmland animals have a value. No white farmers explained this to them before."

To fulfill Varty's initial aims, Phinda has to become a touristic and investment success, as well as a plum for the local population. Varty said at Phinda's launch he aimed to raise about R50m from investors in Europe and the US, towards the R83,3m required in investment funds.

Carlisle said Phinda could be a pilot project for the touristic development of Maputaland, with other wilderness reserves offering the same combination of conservation, local involvement, investment and tourist attraction.

Zulu says this is the only chance for the local people.

'Jobless numbers to increase'

PRETORIA — SA's unemployment problem would continue to worsen for at least the rest of the year, Manpower Commission chairman Frans Barker said yesterday.

He estimated that 5,4-million economically active South Africans were unable to find work in the formal sector. However, 2,5-million found some work in the informal sector.

GERALD REILLY

This left nearly 3-million potential workers without jobs and without incomes — a major reason for the country's high crime rate and the high level of violence, Barker said.

Latest estimates, he said, were that 400 000 new workers entered the labour market annually, but the overwhelming majority would look in vain for formal or even informal work.

To absorb new workers the economy would have to grow at a rate of 5% a year — light years away from

the current situation.

According to unemployment figures included in the 1991 census report released recently, 83 000 whites, 202 000 coloureds, 43 000 Asians and 1,6-million blacks were unemployed by their own reckoning in mid-1991.

On skilled manpower, Barker said when the growth rate picked up, the shortage of skilled and professional workers would place a definite ceiling on growth. Barker's views on unemployment and growth are included in a book he has just completed.

TIME

TIME Holdings Limited

(Reg No 84/02541/06)
("Time")

Cautionary announcement

Shareholders are advised that negotiations for the disposal of a substantial part of TIME housing division are in progress and the market price of TIME's shares. Shareholders should exercise caution in their dealings.

Johannesburg

3/20/18/3/92

NEWS IN BRIEF

Dorbyl retrenchments

DORBYL has decided to "size down" its operation and will lay off 150 workers after a bleak assessment of the industrial market.

The retrenchments will come from the dockyards at Dorbyl Marine and Dorbyl Shipbuilders, MD Jay Bullough said in Durban yesterday.

335

Textile factories on three-day week

B/day 18/3/92 (440) (335)

DECLINING activity in the textile and clothing industry has forced many factories to cut working weeks from five to three days.

Employment had not been insulated from reduced production, but most companies were working short time rather than retrenching, SA Textile Federation executive director Brian Brink said yesterday.

Searde! chairman Aaron Searle said, because of a drop in consumer demand, Searde! had reduced its manufacturing output.

"There have been some retrenchments in the group, but fortunately these have not reached an alarming level. One or two factories in the Western Cape are working on short time," said Searle.

Other companies confirmed their factories were working short time, but said recessionary conditions also necessitated retrenchments.

The National Clothing Federation's March newsletter said industry output fell 6% in 1991, compared with the relatively prosperous 4% growth in physical volume in 1990.

The Federation said the recession appeared to have been most severe during the fourth quarter of 1991, with Industrial Council data showing that the workforce had fallen by 4 000 from 113 500 in January 1991 to

MICK ELLINGHAM

109 500 in January 1992.

Data from the Central Statistical Service (CSS) gave a different picture, with clothing employment up 800 from December 1990 to December 1991 (reaching 123 400). However, textile employment, according to the CSS, fell by 3 800 to 91 700 over the same period.

The federation said CSS and Industrial Council data for clothing employment could be reconciled, as many clothing firms did not reopen in January 1992, as shown by council data, and this was not yet reflected in the CSS statistics.

The Western Cape bore the brunt of job losses, with employment down from 53 600 in January 1991 to 51 900 in January 1992. In the Transvaal, jobs decreased from 14 800 to 13 600 over the same period. Natal experienced a decline, but this was limited to 500 workers from an initial figure of 42 600 in January 1991.

The total number of clothing factories fell from 1 197 in January 1991 to 1 177 one year later. However, the change was not evenly spread, as Natal employers showed a rise of six to 432 over the 12-month period. Nineteen Transvaal firms closed, leaving 314, while seven Western Cape plants were closed, leaving 431.

ABI is unfair, says Fawu over 'scabs'

Sowetan 19/3/92

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By MOKGADI PELA

THE Food and Allied Workers Union has accused the Amalgamated Beverage Industries of union bashing following the dismissal of 131 workers.

Fawu has further claimed that following the dismissals, the company hired 200 so-called Coloureds as scabs. Union

spokesman Mr George Nene accused ABI of racism and said Fawu would take the matter to the Industrial Council to force the company to reinstate the workers.

A company spokesman said ABI had temporarily employed fewer than 100 workers of all races.

"As Fawu intends tak-

ing the matter to the IC, reinstatement has become irrelevant," the spokesman added.

The dismissals follow allegations of a senior company official having used abusive language to workers.

The workers downed tools in protest and were subsequently locked out.

Further rise in unemployment and only mild upswing predicted

STAR 19/3/92
Finance Staff

CAPE TOWN - Mr du Plessis predicted only a mild upswing this year and warned of a further rise in unemployment.

Mr du Plessis cautioned that the persistently high inflation rate left little room for interest rate cuts over the next few months.

In his analysis of economic conditions and prospects, which preceded the Government's revenue and expenditure proposals, Mr du Plessis said a moderate economic revival should take place this year.

An economic growth rate of one percent was foreseen, which was an improvement on the falls of half a percent each year over the past two years, but was still lower than the rate of population growth.

"The low growth rate thus means a further decline in living standards and an increase in unemployment, although more people will seek refuge in the informal sector."

He added that no improvement in private consumer spending was foreseen because of lower increases in nominal salaries and wages, unfavourable agricultural conditions and lower company profits.

Turning to inflation, he said 1991 had seen scant success in bringing down consumer price increases.

"At present, the prospects for a decline in the inflation rate are better than at the beginning of last year," he said, adding, though, that the average inflation rate this year was expected to be only moderately below last

year's 15,3 percent.

"Given the important role played by consumer prices in the formation of wage increases and so on, there is little room to relax monetary policy before inflation has fallen significantly," Mr du Plessis said, effectively ruling out a cut in interest rates in the short-term.

Defying ANC criticism of recent loans on overseas capital markets, Mr du Plessis said the Government would continue to seek them and had compiled a foreign loan programme.

"We are speeding up the normalisation of our foreign financial relations so that a final arrangement may be made with overseas creditors in 1993 to repay the remaining \$4,5 billion (R13 billion) in SA's foreign debt," Mr du Plessis said.

Public service reductions ²⁸⁵

GOVERNMENT is planning to reduce the number of public servants and has allocated R250m to cover retrenchment costs. *By day 19/3/92 (335)*

Finance Minister Barend du Plessis said the retrenchments were necessitated by structural adjustments in state expenditure, including recently announced retrenchments of teachers in white schools.

The retrenchments would mean higher short-term spending, but would bring savings in the medium and long term, he said.

ANTI-APARTHEID and church groups have become involved in a R2-billion "charity" clothing operation which is crippling the South African clothing and textile industries.

It has already put 20 000 people out of work, according to union and employer sources.

The operation is based on a system under which the government grants permits to churches and welfare bodies to import second-hand clothes duty-free so that they can be given to the poor.

Instead, 100-million garments a year are flooding into the country and pouring huge profits into the pockets of middlemen and, it is suspected, some church and welfare people with dubious motives.

The situation is "gravely serious and growing worse", union and industry officials say, and has already contributed to the closing of textile and clothing factories and had a devastating effect on the milling town of Harri-smith. It threatens other towns like Ladysmith and Pinetown.

The SA Clothing and Textile Workers' Union is so concerned that this week in Durban it staged the first of a planned series of nationwide worker demonstrations outside one of a fast-growing number of used clothes shops.

Irony

And soon it plans to meet foreign anti-apartheid and church groups to point out that it is ironic that clothes they are collecting for South Africa's unemployed are contributing to further mass unemployment.

Mr Ebrahim Patel, assistant general secretary of the SA Clothing and Textile Workers' Union, said the garment industry employed 165 000 people in clothing production, 100 000 in cotton growing, and 95 000 in textiles. With their dependants, this represented 1,7-million people.

It was the most labour-intensive manufacturing industry and one for which product volume was all-important. When, in 1988, there was an annual duty-free importation of 24,5-



SAVE OUR JOBS ... textile workers demonstrate outside a second-hand clothes shop this week

million used garments it was bad enough, he said. But last year the figure grew to 100-million (industry sources say R2-billion is a conservative estimate of how much they would have sold for).

Dr Johan Lamprecht, deputy director-general of the Department of Trade and Industry, said duty-free import permits had been granted initially to church and welfare bodies to enable them to bring in donated used clothing on the strict proviso that it be distributed free of charge. However, the government later conceded that the charities could sell the items to cover transport costs.

This, industry and union sources say, is what opened the door to abuse.

Industry and union officials said irregularities were almost impossible to control because of import volumes and staff shortages at customs and excise.

A special working group for the textile and clothing industry has been set up to investigate. It comprises representatives of manu-

facturers, unions, customs and excise, and other government departments.

Members of the group — including government representatives — told of some remarkable abuses uncovered. Among them:

- Containers, accompanied by duty-free permits specifying that they contained used clothing, were found to have cars inside — in one case, a brand-new Porsche hidden behind old clothes;

- Others contained new clothes from Hong Kong and other Eastern countries, also under a layer of old clothes;

- Duty-free permits are issued by TBVC countries, Lesotho and Swaziland, but

the containers never reach them. The clothes are sold to South African middlemen.

The Commissioner for Customs and Excise, Mr Daan Colesky, said it was impossible to police the vast volume of duty-free clothing pouring into the country.

Meanwhile, whatever the method of acquisition, used clothing — mainly jackets of European and American origin — is being sold in mushrooming shops, at flea markets, by door-to-door sales and via classified advertisements.

Misery

The working group has a list of 55 church organisations involved in importing duty-free clothing and members say that although most are probably acting in good faith, they understand that officials of some church or welfare bodies are being investigated at government level.

Mr Patel said: "The union is determined to stamp out the profiteering in second-hand clothing.

"The effect on our industry is devastating and the human misery and pain caused by this is not appreciated by those who make a quick profit."

jobless

★ SUNDAY TIMES, March 22 1992

By ROY RUDDEN

SLTimes 22/3/92

'Charity' leaves 20 000

No light ahead for jobless

CF 2313/92
Own Correspondent

PRETORIA. — SA's unemployment problem would continue to worsen for at least the rest of the year, Manpower Commission chairman Frans Barker said.

He estimated that 5.4 million economically active South Africans were unable to find work in the formal sector. However, 2.5 million found some work in the informal sector.

This left nearly 3 million potential workers without jobs and without incomes — a major reason for the country's crime rate and violence.

Latest estimates, he said, were that 400 000 new workers entered the labour market annually.

To absorb new workers the economy would have to grow at a rate of 5% a year — light years away from the current situation.

Trust moves mean work for jobless

Sowetan 26/3/92

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THE South African Housing Trust (SAHT) is again contributing towards community participation and job creation, according to the trust's corporate communications manager, Mr Hennie Crowther.

The SAHT's annual design competition and its builder of the year competition are furthering their efforts to serve low income communities.

This year both competitions will be hosted for the fourth time.

The trust promotes and facilitates the provision and funding of low-cost housing and security of tenure for lower income communities.

Minds

"Community acceptance and participation are foremost in the minds of the SAHT management for this year's competition to design a multi-purpose centre for entrepreneurs.

"The aim of the competition is to produce a design for a multi-purpose centre in a newly created or already existing (informal) residential neighbourhood," Crowther said.

Entry submissions for the competition are required to research the general needs for which such a centre for entrepreneurs should cater. In addition, provision must be made for design flexibility allowing for a high degree of community participation in the decision.

By JOSHUA RABOROKO

annual showcase for local builders who specialise in affordable housing for low-income communities.

Crowther said: "The housing trust is in the unique position of providing employment opportunities in the areas most in need of both homes and jobs — low-income communities.

By January 1991 some 1 848 labourers, 485 artisans, 115 contractors and 10 mini-developers were involved in the trust's Local Builder Development Programme.

"This resulted in the

construction of 3 087 houses in 17 projects, totalling approximately R370-million."

The adjudication of the regional finals will be held during July this year.

A completed house and one under construction will be inspected to determine the quality of the finished product and the actual construction work. General house-keeping and the organisation and control of the different trades will be taken into consideration.

"Through this competition the trust recognises the work, skill and expertise of local builders, and we are proud to be associated with this annual competition," Crowther said.

Needs

The R350 000 multi-purpose community business centre is earmarked for a newly established or developing neighbourhood.

"Planning of the building has to be done in such a way that it can be adapted to the community's changing needs," he added.

The national winner receives R10 000 and the runner-up gets R2 500. The prize-winners will be announced during November 1992.

The "Builder of the Year" competition is the

Workers are fired over VAT march

ABOUT 400 workers at Sabrix brick manufacturing company in Sandfontein, Pretoria, have been dismissed for taking part in last week's march to protest against the Budget and Value Added Tax.

The workers, all members of the Construction and Allied Workers' Union, an affiliate of Cosatu, were fired on Wednesday.

A spokesman for the workers said the entire workforce took part in the march from Brown Street to the Union Buildings in Pretoria last Tuesday to protest against the Budget.

"We asked permission from the managing director a day before the march. He did not have time to discuss the issue with us. Instead he told us he was a businessman selling bricks and had nothing to do with the march," a spokesman said.

The company's managing director, Mr J Robertse, could not be reached for comment yesterday. His office said several times that he was at a meeting.

The workers' spokesman said they received notices in their pay slips last Friday warning them that they had acted illegally.

"The company's lawyer informed the entire workforce after a meeting between management and union shop stewards on Wednesday that their services would be terminated from noon that day.

"He also told us to come and fetch our salaries today."

The spokesman said they intended holding another meeting with management today to have the workers reinstated. He said several recruits from Mozambique had already been employed since Monday. - *Sowetan Reporter.*

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BIP
25/3/92

Unemployment rate (33)

THE average unemployment rate for the main industrialised countries was steady in January at the December level of 7.1%, but figures available for February showed a deterioration, the Organisation for Economic Co-operation and Development said

Other manufacturers may follow

Samcor plant to cut back on working time

B1 Day 27/3/92 (335)

SAMCOR's huge plant at Rosslyn will close for two weeks next month and work a seven-hour day until end-June — sometimes on a four-day week, a Samcor spokesman says.

This effectively means that in the next three months Samcor's 5 200 employees will have their income cut by more than a third.

The 480 normal working hours will be cut back to about 310.

It is also understood that Samcor, like most other motor manufacturers, regards itself as seriously overmanned. Between 300 and 1 000 potential redundancies have been bandied about.

Volkswagen and Mercedes-Benz have also knocked between eight and 12 hours off the normal 40-hour week.

Last year the seven major motor manufacturers agreed to a moratorium on retrenchments in exchange for a halt to unprocedural industrial action. The agreement was for the year to end-June.

Locked into the agreement, and reeling under depressed trading conditions, employers like Samcor, VW and Mercedes have cut back radically on working time while maintaining jobs. Other motor manufacturers have said they will use this option if necessary.

This year the motor workers' union Numsa again demanded a moratorium on retrenchments but did not link it to unprocedural action.

Employers and the union say they are committed to protecting jobs. Some employers would like Numsa to agree to voluntary retirement and retrenchment, but Numsa argues this will undercut its

DIRK HARTFORD

drive to defend jobs. Although employers have the latitude to offer this option directly to workers, most are reluctant to do so without the union's consent.

But when the agreement was struck last year, few imagined the recession would exact such a toll on the industry. Short time was never part of the longer-term scenario for employers or the union.

A source says that in 1986 Toyota workers on short time went out on strike against short time and accepted redundancy packages instead.

This year's negotiations, which begin in two weeks' time, are set to be the toughest to date.

Unions and employers must try to strike a balance between demands for job security and above-inflation wage increases, and the viability of the industry under current economic conditions.

Numsa has demanded a R2 an hour across-the-board increase.

Motor manufacturers are the highest paying industry in the country. The lowest minimum monthly wage is Delta's R1 153 and the highest is VW's R1 499.

New passenger vehicle sales dropped 2,1% in January to 14 766 units compared with the previous year.

Although this was slightly up on December's figure, the National Association of Automobile Manufacturers of SA said trading conditions would remain tight for the foreseeable future.

Samcor sold 2 849 units in January — the third highest — which accounted for 16,8% of the market.

Non-union staff facing dismissal

335

AG 28/3/92

CLAIRE GEBHARDT

Weekend Argus Business Staff

Recession-hit employers are cutting corners to get rid of staff.

And the worst affected employees now are those who never believed they needed trade union protection — people like managers, administrators, clerks and salespeople.

Industrial relations experts say that many employees are being thrown out of jobs into a depressed employment market, sometimes with no more than two weeks' notice pay.

The experts claim that desperate or unscrupulous employers are by-passing the established procedures for dismissal or retrenchment that protect union members as they scurry to save costs.

Mr Andrew Levy of Andrew Levy Consultants says that while managements won't cut corners with trade unions, they can be

quite ruthless with monthly-paid staff.

"White collar workers are now in the firing line and many don't have a strong trade union to protect them.

"In previous recessions some firms cut once, now many are being forced into wave upon wave of retrenchment."

More disturbing still, smaller employers are also taking advantage of a recent Labour Appeal Court decision and refusing to pay severance pay.

Apart from the dire social consequences, people who should have been putting their pension fund money into a retirement annuity are now using it simply to keep the wolf from the door.

This means more people will become a burden on the state when they are older and taxpayers will suffer in the long run.

A white collar trade-union, the Federation of Salaried Workers (Fedsal) says many of the "more

privileged" non-unionised workers are only now waking up to the danger they are in — almost too late.

General-secretary Mr Dannhauser van der Merwe says their all-race membership is 220 000 and growing and encompasses transport, airways, banking, financial, industrial, motor, mining and airways workers.

"Unionised workers score because we negotiate retrenchment packages and take unfair retrenchments to the Industrial Court.

"Any number of people who wish to get together to form a union can approach us for affiliation."

Economists fear that unemployment numbers will keep on growing this year — a factor confirmed by the Minister of Finance in his Budget speech — leaving more scope for the unscrupulous to get rid of workers in the cheapest way possible.

Rural jobs crisis as business pulls out

South 28/3-2/4/92

Rural towns on the periphery of Cape Town — within 45 minutes' drive from the city — face an economic slide as companies withdraw. **Thoraya Pandey** reports:

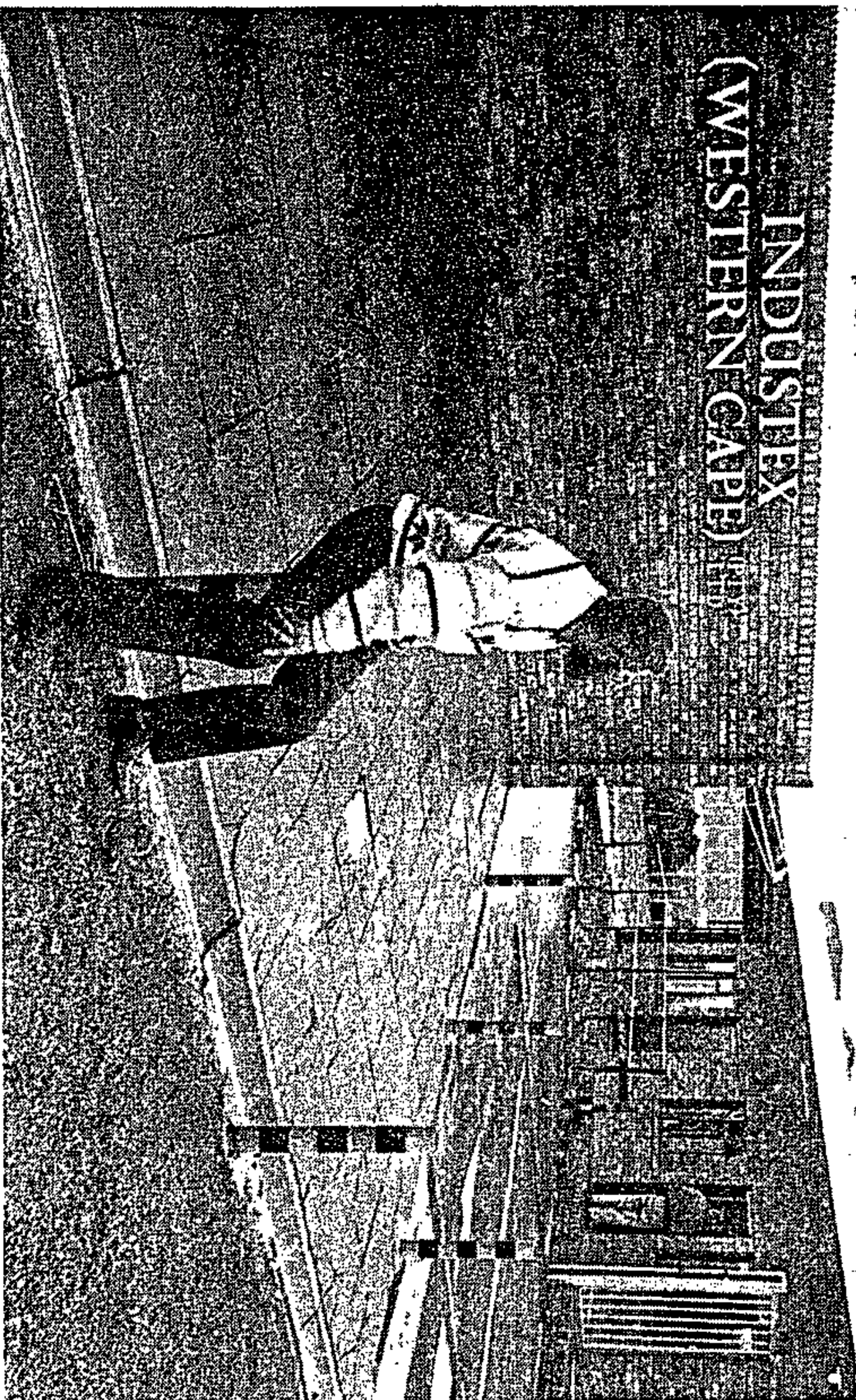
COMMONLY known as fringe towns, Somerset West, Strand, Paarl, Wellington and Atlantis have experienced the withdrawal of major companies in the last five years, leaving thousands unemployed and forcing many to seek work in the city centre.

A "conservative" estimate puts unemployment at more than 8 400 people in Atlantis after seven major companies pulled out and 17 others retrenched workers, according to Mr Karl Cloete of the National Union of Metalworkers of South Africa (Nunsa).

In the seventies Atlantis was developed as a "coloured town", mainly to accommodate those forcibly removed under the former Group Areas Act.

It was also part of the government's decentralisation policy to create employment for Atlantis residents.

The government offered attractive subsidies to companies, moti-



THIS FACTORY COULD BE NEXT: Last year Industex Western Cape (Pty) Ltd retrenched 230 workers claiming a R3-million annual loss Photo: Yunus Mohamed

vating them to invest in the area.

This required a huge investment of public funds to provide the necessary infrastructure.

Approximately R300-million in industrial investment was attracted to the town but most companies relied heavily on state subsidies.

Many withdrew from the area after subsidies fell away.

The community, however, committed to "saving Atlantis from ruins", has embarked on a vigorous

campaign to address the economic slide.

"Community organisations, unions, the local authorities and business are involved in the Atlantis Development Forum to explore ideas in solving our problem," said Cloete.

This forum has been established to address issues concerning the development of the area, economic viability and the establishment of one local authority, he said.

"We are doing everything in our power to keep Atlantis alive and we strongly feel that the government and business must take equal responsibility in achieving our goal," added Cloete.

"There is no work in Atlantis, which forces many to seek work elsewhere and spend a fortune in travelling expenses and long hours away from home."

The situation in other areas, although it does not appear as grim

as Atlantis, is also forcing communities to join forces with local authorities and business to address the problems.

The announcement by Armscor, AECL and Gants to pull out of Somerset West and Strand has sparked off panic among workers who, when the companies close down, will have to seek employment in the city centre.

"The chances of people finding work are very slim because of the high unemployment rate in the Western Cape."

Wellington has also experienced the closure of five major factories over five years.

In a bid to address this problem, the South African Clothing and Textile Workers Union, the local authority and the municipality have developed a unity of purpose in reversing Wellington's economic woes.

"The main problem we — and most other rural areas — are experiencing is the lack of decentralisation facilities needed to attract investment," said the mayor of Wellington, Mr Peter Ingwersen.

"The municipality is exploring several avenues to provide jobs and our town clerk has applied to the state for R7-million to build houses.

"This will create employment for at least 150 people over a period of three years."

Even though the future of these communities appears grim and uncertain, they are committed to finding solutions to maintain their livelihood.

US unions help to push for settlement of strike in SA

IN A rare display of international solidarity, the National Union of Metalworkers (Numsa) and US trade unions have acted successfully in support of one another.

US multinational Crown Cork & Seal has succumbed to pressure from a broad alliance of US unions, African solidarity groups and congressional leaders, and told its wholly owned SA subsidiary to settle its dispute with Numsa.

By forcing the agreement, the alliance claimed an important victory in what was considered a test case for the role of the US solidarity movement in a post-sanctions and post-apartheid SA.

Last September 196 workers were dismissed from Crown Cork's Alrode plant for supporting a two-day stayaway called for by Cosatu in protest against violence.

This week — in its fourth mediation session with Numsa over the dismissals — Crown Cork will propose settling on the basis of immediate reinstatement of 100 workers, with the outstanding 96 placed on a preferential recall list.

A company spokesman said the

DIRK HARTFORD

firm would also offer R500 000 to retrain or voluntarily retrench the 96.

A Numsa spokesman said the company's offer was a "breakthrough", but said the workers insisted that all 196 be reinstated immediately. The union would try to achieve this through mediation.

Mike Fleishman — labour desk co-ordinator for the US-based Africa Fund — said what was important about the offer was that it demonstrated "the US anti-apartheid movement is still able to mobilise real union-to-union solidarity and inflict real punishment on US multinationals which inflict acts of corporate aggression against the democratic movement". Africa Fund co-ordinated the US campaign.

If Crown Cork reneged on the agreement — which was struck with US unions and solidarity groups at the company's headquarters in Philadelphia — the issue would be turned into a major international human rights effort, Fleishman said.

"Crown underscores the impor-

tance of maintaining strong Western solidarity movements and of developing enforceable standards of corporate conduct for multinationals."

Central to the US campaign against Crown Cork was a visit by Numsa organiser Bethuel Maserumule. He returned to SA this week after mobilising support for the campaign among US unions.

Besides the United Steelworkers of America, which organises Crown Cork in the US, the International Association of Machinists, the United Automobile Workers, the Coalition of Black Trade Unions, two national garment worker unions and a network of anti-apartheid committees were involved in the campaign.

In addition, congressional leaders Ron Dellums and John Conyers gave strong backing.

Numsa workers at Caterpillar in Isando staged daily one-hour work-stoppages last week in solidarity with 10 000 US Caterpillar workers, who were striking over central bargaining. Numsa demanded that management write to its US parent company urging it to settle with the strikers. After two days, management agreed.

Iscor fires 580 more strikers at Durnacol

STAR 31/3/92 (335)

DURBAN — Iscor yesterday dismissed another 580 striking workers at the Durban Navigation Colliery (Durnacol) in northern Natal, said mine manager Doug Taylor.

This brings the number of Durnacol workers sacked since last Tuesday for joining illegal strikes to 1 380.

Mr Taylor said 180 of the morning shift's 580 workers reported for work yesterday, but downed tools after going underground. The remaining 400 failed to report for work.

The 580 workers were told they had been dismissed. They were given until 10 pm last night to supply mitigating circumstances for their actions.

Mr Taylor said the workers were fired because their strike was illegal and contrary to a Supreme Court interdict issued on Saturday which ordered workers to comply with their contracts and act within the provisions of the Labour Relations Act.

Mr Taylor said the 180 workers who went underground refused to work until their pay demands were met. He did not give details of the demands.

White and Indian workers were withdrawn from underground yesterday and the strikers were told that their action was illegal. They were later told they had been dismissed and all were back on the surface by yesterday afternoon.

National Union of Mine-workers northern Natal regional organiser Moses Gladile said the workers began striking underground yesterday morning to demand the reinstatement of the 800 employees dismissed last week, not for higher wages.

Mr Gladile said that the union telephoned workers underground yesterday, telling them of the court interdict and urging them to end their strike.

"They went to their working places, but their supervisors were not there so they could not

resume their duties," he said. "We then telephoned management, but they said they were not prepared to talk to us."

Mr Taylor said workers at the mine were told of the court interdict on Sunday through the mine's public address system, pamphlets and notices.

"The fact that people at 9.30 am said they were going to work is unacceptable," Mr Taylor added.

Mr Gladile said the NUM would put the dismissals last week and yesterday in the hands of its lawyers.

Yesterday's strike followed a week of industrial action at the mine, starting on Tuesday last week when several hundred workers downed tools underground.

Their demands were for the reinstatement of two dismissed union officials and the dismissal of managers accused of harassing workers, and also involved wages, retrenchments and alleged racial discrimination, Mr Gladile said.

The miners are alleged to have held 15 white mine officials hostage underground on Tuesday. Mr Gladile said yesterday, however, that the white miners were simply afraid to pass the large group.

Some 800 hundred workers were dismissed on Thursday for sabotaging mine property and holding co-workers hostage.

On Friday more than 300 workers staged another underground strike, demanding the reinstatement of their colleagues. They surfaced on Saturday but refused to work until their demands were met.

The same day, Iscor obtained an urgent interdict restraining workers from disrupting mine operations and ordering them to comply with their contracts and the Labour Relations Act.

Iscor spokesman Neels Howatt yesterday said the mine had lost a daily production of 4 000 tons of coal since last Tuesday. — Sapa.

ARG 31/3/92

Employers warned on retrenchments

The Argus Correspondent (338)

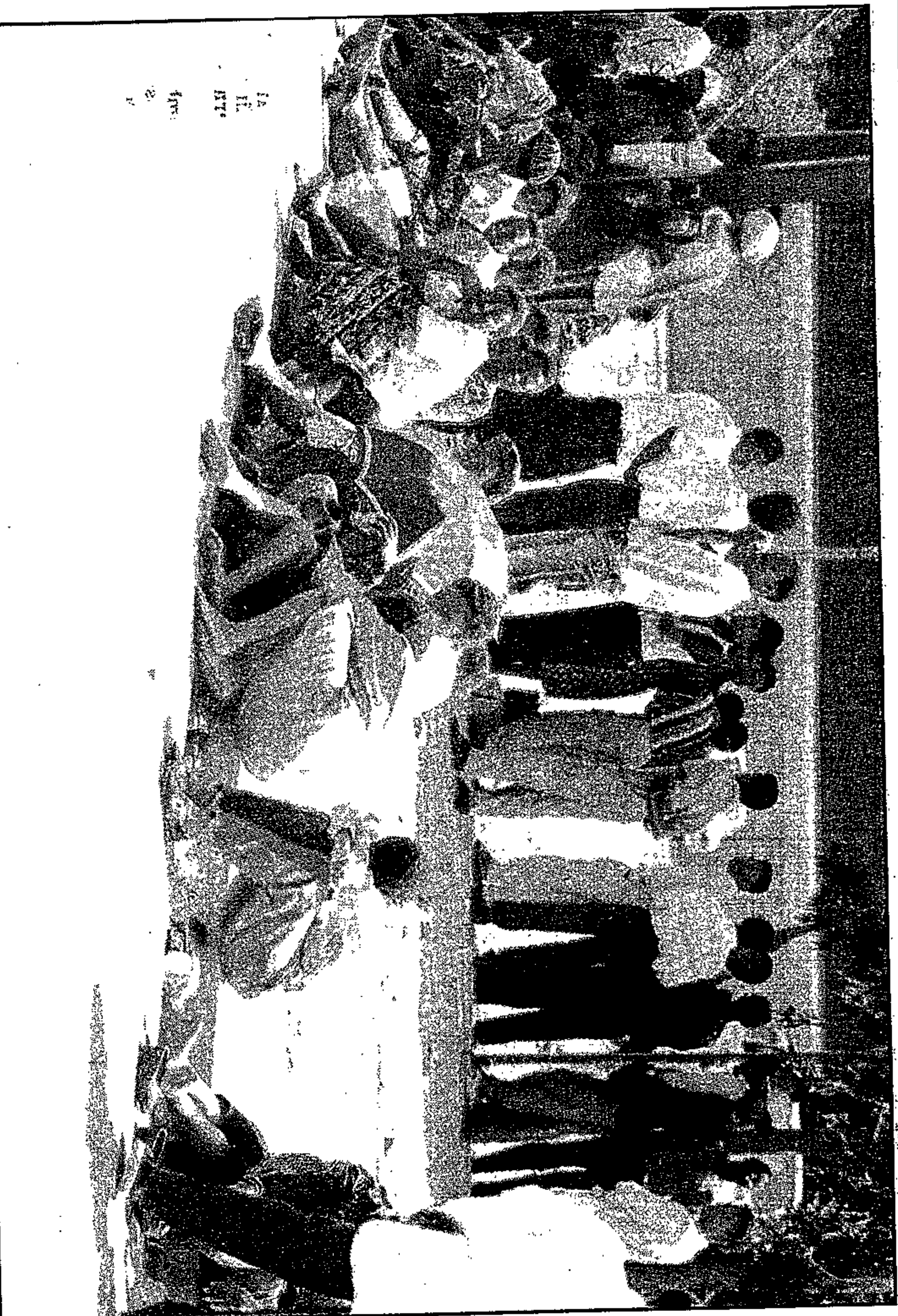
JOHANNESBURG. — Penny-pinching employers who think they have found a loophole in the recent Lifegro v Young case might yet find themselves on the wrong side of the law, say labour lawyers.

In essence the Lifegro judgement, upheld by the Labour Appeal Court last year, states that there is no absolute duty on an employer to offer severance pay to a retrenched employee.

Mr Justice Combrink, in the Appeal Court judgement, notes that severance pay, although a common and desirable feature of modern retrenchment practice in South Africa, is, in the absence of legislation or embodiment in the contract of employment, the outcome of collective or individual bargaining, not legal rights.

But lawyers say it is interesting to note that the judge makes a plea in favour of the principle of severance pay and recommends that it be accommodated in our law.

"In the more recent Transport and General Workers Union v Action Machine Moving, the deputy president of the Industrial Court, Advocate Bulbulia, said that the Industrial Court had discretion to order payment of severance pay



Waiting in vain . . . job seekers form long queues outside the Nasrec showgrounds, site of the Rand Easter Show which opens on Friday.
Picture: George Mashini

Hundreds STAL 1/4/72 queue for jobs

at Rand Show

By Zingisaa Mkhuma (335)

Hundreds of unemployed Soweto residents have been queuing for jobs outside the Nasrec showgrounds since preparations for the Rand Easter Show began two weeks ago.

Men and women wait daily outside the grounds from 7 am, undaunted by the fact that most of the exhibitors have already hired their workers.

Most of those interviewed yesterday said they had been coming to the showgrounds for almost a week but had not seen anybody being hired.

The Star found Florence Malatji asleep on the pavement. She said she had been waiting for about eight hours for someone to offer her any kind of job.

She had been lured by an advertisement for workers in a local paper. The contact person, named as "Mike", could be found at the showgrounds, but Ms Malatji said the job seekers were not allowed into the grounds to see him.

A Diepkloof father of two, unemployed for three months, said he would keep coming back each day looking for a job.

Real job creation needed

*So wefer
2/4/92*

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DURING the annual Conference of the British International Studies Association it was revealed that in South Africa unemployment grew by 2,5 million in the 1980s.

This would lead to a total of 6 million unemployed by the end of the decade.

A report presented at the conference further indicated that during the 1990s an additional 3,5 million were expected to be unemployed.

Industrial relations experts believe that this high level of unemployment has had an adverse effect on the gains that unions had made on behalf of their members.

Supporting the notion, the deputy director of the Industrial Unit at the University of Port Elizabeth, Ms Martheane Finnemore said: "In 1991, wage increases in most industries fell behind the rate of inflation and unions have not been able to defend their members from massive retrenchments."

Finnemore further argues that the gains made during the 1980s by unions in large companies were offset by the drastic rationalisation of workforces.

Responding to the prevailing situation unions have in turn accused the employers of exploiting the situation and depriving the workers of job security and fair wages.

The question arising from these developments is how the situation could be redressed leading to one where the unions would continue to ensure that their members keep their jobs and earn equitable wages.

From the unions' point of view, the solution was in job creation and the improvement of labour skills level through training.

According to Mr C Ncukana the business sector in the country has the potential

THE South African labour movement is presently faced with the daunting task of securing jobs and raising the living standards of its members. This exerts a lot of pressure on them to seek solutions for the untenable situation.

to create more jobs. Unfortunately they invested their money in ventures which did not create jobs, he said.

"For example, the assurance companies have access to millions and millions of rands from provident and pension funds.

"They invest the income from these funds in building high-glass offices instead of looking at issues such as housing and the training of the very workers whose money they are managing."

Ncukana said job creation and skills training was the responsibility of the Government and big business. This was why the unions were calling for a National Negotiating Forum where all parties would be represented to discuss the restructuring of the economy, he said.

Meanwhile unions seem to be opposed to the tendency that job creation should entail setting up labour-intensive industries which required low skill levels.

Such industries have been mushrooming mostly in the homelands where foreign industrialists (especially from the Far East) have set up factories employing large numbers of unskilled workers at very low wages.

According to Mr Patrick Mkhize of the Azanian Workers Union, what the foreign industrialists were doing "was not job creation but a mere exploitation of local workers. These people have little regard for labour relations and are paying worker as little as R50 a fortnight."

Big daddy Crown bows to pressure

By Ferial Haffajee

ONE of the last great anti-apartheid campaigns in the United States this week secured the reinstatement of 100 workers dismissed from the Johannesburg-based subsidiary of a US multinational.

Alrode on the East Rand, a subsidiary of the giant US-based Crown Cork and Seal company, this week agreed to reinstate 100 workers and give substantial termination packages to the 96 workers it dismissed en masse last year.

The Africa Fund, at the request of the National Union of Metalworkers (Numsa), mobilised a congressional, union and anti-apartheid lobby to rally behind the workforce of Alrode.

Alrode dismissed all its employees after a September 16 and 17 stayaway to protest against the East Rand violence last year and replaced them with members of the Inkatha-aligned United Workers Union of South Africa (Uwusa).

When the company refused to negotiate the dismissals, Numsa turned to its sister unions in the US for aid.

Africa Fund representative Mike Fleishman said "the campaign struck a deep chord with American unionists". The US is the only country in the world besides South Africa where a striking workforce can be permanently replaced.

The campaign drew an immediate response from the parent company in the US, which sent out a high-ranking executive, Richard Kryzanowski, to investigate. He was unable to get the company to negotiate rehiring but, according to Fleishman, "he instructed local

management to negotiate a termination package with R500 000 on the table".

Soon after initial negotiations, the South African Police arrested six workers and brought charges against three union officials. This gave impetus to the campaign which saw the company subjected to picketing and protest letters.

"The campaign promised problems for the company inside its US plants, within its own boardroom and in the streets," says Fleishman.

Finally this week, the company succumbed to pressure from big daddy in Philadelphia and offered to reinstate 100 workers and place the remaining 96 on a preferential recall list. A company spokesman said the firm would also offer R500 000 to retrain or voluntarily retrench the 96.

Union-to-union contact in multinationals is growing in South Africa: Numsa workers at Caterpillar in Isando last week staged daily one-hour work stoppages in solidarity with 10 000 US Caterpillar workers striking over centralised bargaining.

The Chemical Workers' Industrial Union has benefitted from union-to-union contact in multinationals, says acting general secretary Muzi Buthelezi.

In 1990, Johnson and Johnson South Africa threatened mass dismissals but "backed off" after pressure from the Amalgamated Union of Clothing and Textile Workers in the US. And through transnational union campaigns, Thor Chemical's import of waste into South Africa from US Cyanamid was exposed internationally.

Jobless for farms

ARC 44/92

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Weekend Argus Correspondent

JOHANNESBURG. — The Transvaal Agricultural Union (TAU) has launched a project to settle unemployed whites on farms — and has been inundated with calls from people desperate for help.

TAU president Mr Dries Bruwer said the union had been settling unemployed whites on a low-key scale for several years. Now, however, welfare organisations would also become involved. He could not yet name the

organisations.

Mr Bruwer refused to speculate on how many people might be applying for houses and jobs on farms, but noted that thousands of teachers and employees of Armscor and Iscor had been laid off in recent months.

Perhaps, teachers could start up farm schools, he suggested.

Vacant houses in rural areas, especially in western Transvaal towns like Ottosdal and Schweizer-Reineke, would be made available to unemployed whites.

Those interested in being helped like this would undergo a brief selection process so that "workers could be matched to a farmer".

If a farmer needed labourers, he would contact the TAU. Payment would be entirely up to the farmer, said Mr Bruwer.

He emphasised that black labourers would not be replaced with white ones.

However, many farmers in the Transvaal, Free State and Cape Province already employed only white la-

bourers to avoid "the problems of stealing and other things", he said.

However, he added, those farmers sometimes had problems with alcoholism among their white labourers.

Mr Bruwer said the relief programme was aimed at people who could not provide for themselves.

The only preconditions were that people had to be prepared to work and that women, in particular, should be able to adapt to farm conditions.

Those interested should telephone the TAU offices in Pretoria.

Jobs do a vanishing act

Feb 4/4/92

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CLAIRE GEBHARDT

Weekend Argus Correspondent

JOBS in the formal sector are vanishing at the rate of half a million a year — a human tragedy of immense proportions.

And bankers this week urged clients to come clean with them if they are retrenched.

The normal pattern of retrenchment was that unskilled and semi-skilled people were dispensed with first, but in South Africa's abnormally long recession employers were hastening to cut costs by chopping those with the highest salaries — and the heaviest commitments.

These people, unprotected by unions, were very often receiving a raw deal from stingy or frightened employers.

After Weekend Argus drew attention to their plight last week, we were inundated with calls from people confirming their "cheapskate sackings".

Many said that after seeing our article they were going to fight for severance pay.

Those who feared they were next in the firing line scram-

bled to sign up with trade unions for protection.

All the callers said they had invested in their own future — buying cars, houses and other goods on credit in the conviction that their jobs at least were safe.

Frightened callers this week said they were unable to pay their bonds, had no savings and had built up massive debt — not simply to buy white goods such as fridges and washing machines — but merely to meet their living expenses each month.

Bankers this week said they were aware of the tragic problem and urged people to come in and talk about their problems rather than hide the fact that they had been retrenched. Rather approach the bank on one's own initiative than when one was in default for three or four months, they said.

If the bank dishonoured one's cheques one risked getting a black mark against one's credit record which would affect job prospects later.

Standard Bank's GM Home Loans, Mr Duncan Reekie said banks would generally go to

any lengths to maintain people in their houses.

He says Accessbond created a line of finance which can be used in an emergency.

"If people have planned their finances properly and have paid surplus funds into their Accessbond they have equity in their home loan which they can utilise.

"However it is short term cover because they cannot live on this too long without encumbering their property to the extent where they lose out."

Standard Bank recently launched an insurance policy, the Protection Plan, which paid out up to 150 percent of the policyholder's bond instalment to alleviate the effects of retrenchment on home owners.

If retrenchment took place within 12 months of the policy being taken out the holder would receive a refund of all premiums paid.

First National Bank senior GM Mr Norman Axton advised making a clean breast of it rather than destroying the trust that exists between bank and client — "we will try to

keep you in your home if at all possible."

The experts also advised giving up one's credit card and working out some sort of affordable repayment plan which maintains one's credit rating.

Borrow against insurance policies rather than surrender them or let them lapse.

Sanlam's GM Mr Desmond Smith says if life or disability cover had been running for some time and there was a sufficiently large surrender value most insurers would let the client stop paying premiums and debit this against the underlying value of the policy.

"Premiums can also be reduced to keep policies going."

Wesbank, which extended motor car finance and personal loan finance, added unemployment insurance to its customer protection plan in March this year.

Marketing manager Mr Ed Gromdel said the policy holder's repayments were deferred for up to six months if he was retrenched without any interest bill mounting up.

NATIONAL

Future gloomy on jobs front

(335) MKG6/4/92

JOHN VILJOEN
Staff Reporter

EVEN if South Africa achieved an economic growth rate of five percent, unemployment would reach 7 million by the turn of the century.

This is according to economist Professor Servaas van der Berg who addressed a symposium on urbanisation at Stellenbosch University.

While there was reason for optimism about long-term economic growth following politi-

cal change, he did not expect job scarcity to decrease.

Even if South Africa achieved an annual economic growth rate of five percent, job scarcity would rise by more than a million to exceed 7 million by the year 2000.

It was important to note that an estimated 1.1 million people were involved in informal sector activities in the cities and were not unemployed in the conventional sense, he said.

The State needed to implement policies and programmes to tackle the three causes of

unemployment — rapid labour force growth, inadequate economic growth and increased capital intensity, Professor Van der Berg said.

In the meantime, the State needed to address the unemployment backlog. He suggested the introduction of a special employment programme, similar to that used to soften the impact of the Great Depression of the 1930s.

Wages would have to be low so as to limit the costs of the programme, to spread it as widely as possible so as not to

destroy other jobs, especially in the informal sector.

Discussing economic prospects for South African cities, Professor Van der Berg said a growing upper middle-class black population would emerge as high-level positions and the professions increasingly opened up for blacks.

At the same time unemployment would increase, bringing the threat of worsening crime rates and social instability.

Poverty, like unemployment, would increasingly become an urban phenomenon.

City reporter

Alcohol linked to poor black health

Sowetan 8/4/92
MORE than 60 percent of black psychiatric patients were treated for alcohol-related conditions, the MEC for social welfare and liaison services, Mr Temba Nyati, said yesterday.

Thirty percent of black patients hospitalised for medical reasons were treated for alcohol-related problems, he said during the Provincial Budget debate in Cape Town.

The Cape Province's first frail care facility was being erected in Cape Town this year. There were 18 service centres for aged blacks and three old-age homes for blacks

in the province.

There were four special day-care centres for severely mentally retarded blacks, and 11 workshops for the disabled.

Nyati said an estimated 21 000 social workers were needed by the turn of the century, but there were only 1 089 registered black social workers, and no more than 4 000 social workers in the country.

The CPA was appointing social auxiliary workers to support social workers. - Sapa

Absa won't talk about retrenchments

Sowetan 8/4/92
AMALGAMATED Banks of South Africa yesterday declined comment on a report in the *Sunday Star* that it plans to retrench at least 4 000 workers in a sweeping rationalisation programme.

The finance section of the *Sunday Star* reported the casualty toll could reach as high as 6 000 by mid-year.

However, Absa human resources director Dr Petrus Claassen this morning declined to confirm or deny the extent of staff cutbacks with a terse "No comment."

He added: "There is a retrenchment programme and full agreement has been reached with the trade unions about the procedures to be followed." *335*

Natal warns of retrenchment

MARITZBURG — At least 2 500 Natal health services staff might have to be retrenched as a result of cuts in the budget for health services in the province, Natal Health Services MEC Peter Miller said in a debate of the Extended Public Committee on Provincial Affairs yesterday.

Miller said these cuts would involve the full range of medical personnel.

The MEC said Addington Hospital in Durban might have to turn away 52 000 outpatients at specialist level annually and deny access to 4 800 patients a year.

He said there was a shortfall of R16,7m in the allocation for Addington and 112 beds may have to be closed.

And R K Khan Hospital at Chatsworth would be under-funded for the next financial year by about R14m. About 145 beds might have to be closed.

Miller quoted from a report from Deloitte, Pim Goldby, which stated that of the nine development regions, Natal received the third least of public spending although it was the most populous.

Natal/KwaZulu needed an additional

R1bn a year to bring it to national parity.

Sapa reports that Cape Administrator Kobus Meiring expressed grave concern yesterday at government's plan to strip the provincial administration of responsibility for some hospitals and primary health care services.

He told the Parliamentary committee debating the CPA's budget in Cape Town, it was common knowledge the vertical fragmentation of health services under own affairs had failed.

"But the decision on the one hand to take academic hospitals away from the CPA and put them under control of the Department of National Health and, on the other, to gradually devolve the responsibility for primary health care services to local authorities, is a source of grave concern.

The CPA was still not convinced that all local authorities would be capable of rendering an effective primary health care service, and even if they were, there was no way it could cost less.

Own Correspondent

Workers arrested for trespassing

Sowetan 9/4/92

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ABOUT 200 workers at a brick manufacturing company in Pretoria have been arrested after refusing to vacate the premises since their dismissal last week.

The workers, who are members of the Construction and Allied Workers' Union, alleged they were fired for having taken part in a march to the Union Buildings to protest against the Budget and Value Added Tax.

The march was organised by the Congress of SA Trade Unions and the African National Congress.

Northern Transvaal police spokesman Colonel Willie Vlotman said yesterday that 189 workers

362 103 102

By MONK NKOMO

were arrested for refusing to vacate the premises at South African Bricks in Boekenhoutkloof near Hercules.

Vlotman said the former employees, most of whom stayed on the premises, were asked to leave after the company had obtained an interdict in the Pretoria Supreme court on Tuesday restraining them from being in the area.

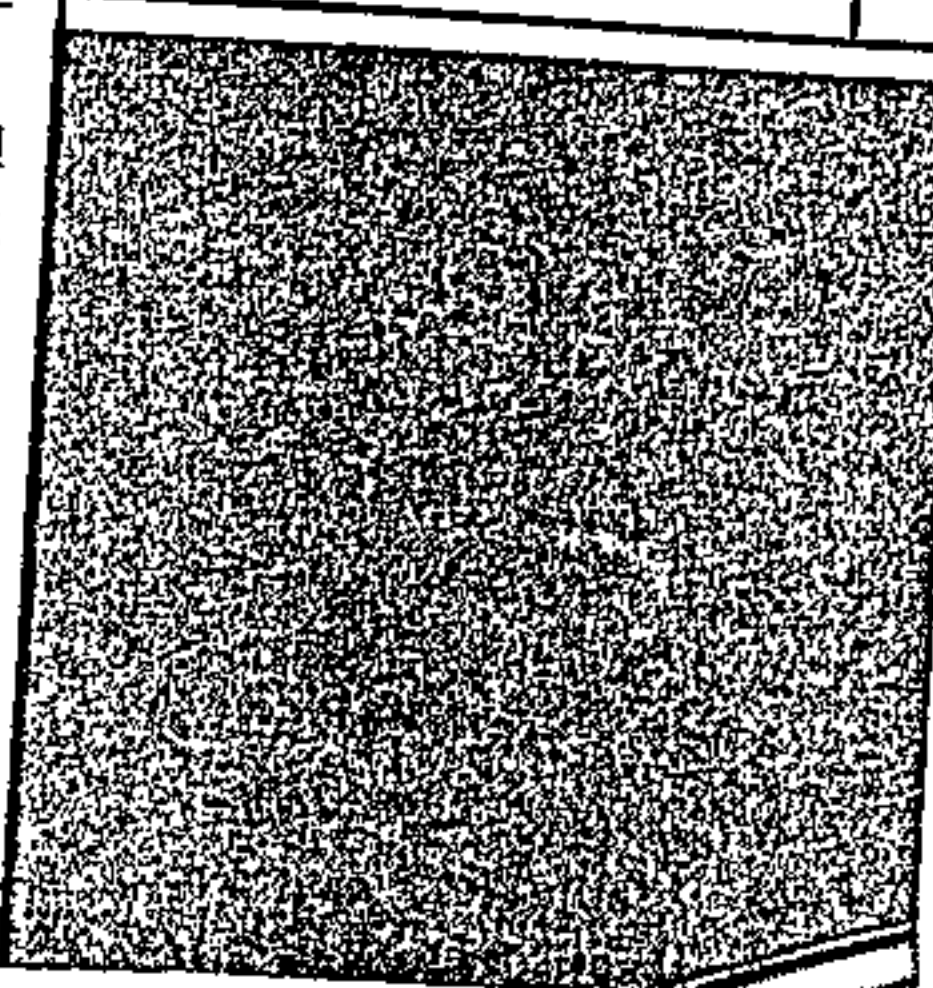
He said the 189 refused to leave in spite of the court order. Police were called and they were arrested.

They were due to appear in the Pretoria Magistrate's Court today on charges of contempt of court and trespassing.

A spokesman for the company declined to comment on the matter and said the issue was "very sensitive at the moment".

A spokesman for the workers accused management of ignoring their grievances and of refusing to discuss job-related issues with them.

He also said he viewed the dismissals as an unfair labour practice.



335) DIRK HARTFORD

Employers say they are unable to maintain an unconditional moratorium on retrenchments.

Numsa is demanding a R2-an-hour, across-the-board increase. It also wants to extend the moratorium on retrenchments to the metal and tyre and rubber industries — without this being linked to a ban on “unprocedural industrial action” as is the case in the auto agreement.

The detailed presentation highlighted current problems such as falling sales and a shrinking industry.

Samcor will cut working time and wages by over a third over the next three months in order to keep to the moratorium. Toyota, meanwhile, is doing so well that it has been working overtime.

Decision on fired workers

Sowetan
9/14/92
335
A MEETING to discuss the fate of more than 100 dismissed Simba factory workers at Prospecton, Durban, will take place on Thursday.

The factory closed down on Friday after workers had been dismissed for stopping work for several hours on March 23, a spokesman for the workers said.

He said the union and the company had not even started wage negotiations when the workers were dismissed.

The company had dismissed two senior management workers who are members of the Food Beverage Workers' Union (FBWU) when a dispute was declared, with the workers demanding their reinstatement, he said.

The workers also demanded to address the issue with senior management and not with the local management.

The request was turned down and the workers stopped work for several hours on March 23. They went back to work at about 11.30am.

He said that when they reported for work on Friday last week they were each given letters informing them that their services had been terminated.

Asked to comment, Simba management referred the question to Mr John Ogle at their Johannesburg head office.

He was not available for comment.

Scare
9/11/92
**Talks still
open in
car trade**

THE moratorium on re-trenchments still remains a key issue in the car industry, SABC radio news has reported. *(335)*

The National Automobile Manufacturers Association of South Africa, the National Union of Metalworkers, and the Iron and Steel Workers Union held the second round of talks in Port Elizabeth.

In a statement released by Numsa collective bargaining secretary Mr Les Kettledas on Tuesday, the union stated that the employers were still not in a position to place an unconditional moratorium on re-trenchments after an extensive debate during Tuesday's negotiations.

No offer was made on wage demands.

According to the statement, Naamsa requested more time to consider the code of practice to end so-called unfair discrimination as tabled by Numsa.

The negotiations will continue on May 8 in Port Elizabeth. - Sapa

Job losses gain for union

Bldg 10/4/92

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DINK HARTFORD

WHITE collar workers in the financial services industry, exposed to mass retrenchments for the first time, were only now becoming aware of their rights and the benefits of union membership, said Financial Institutions Workers Union (Fiwu) general secretary Dallis Hall.

He was responding to recent retrenchments at Absa and Perm.

Neither the 11 500-strong union nor Absa would be drawn on details of retrenchment packages. Both said packages were often individually tailored.

The minimum standard package includes three months' salary, including notice pay, and the right to retain all car, pension, medical and housing benefits during this period.

In addition, some companies pay two weeks' salary for every year of service, up to a maximum seven months' pay.

Other benefits would also be retained in this period.

Pension payouts usually include the employer's contribution plus interest.

Employees in financial institutions usually have subsidised housing loans or spe-

cial low interest loans between 2,5% and 7,5%. These revert to the commercial rate once the terms of the retrenchment package expire.

Although there have been retrenchments — neither the union nor Absa would say how many — jobs are also being cut through natural attrition and early retirement packages.

Companies tend to evaluate performance levels when retrenching, and apply last in, first out criteria.

The union said the biggest problem with retrenchment was employee trauma. "Fiwu is concerned about the manner in which line managers are handling employees in this emotional exercise," Hall said. The union has requested employee assistance and counselling by outside agencies.

Employers should try to avoid retrenchment at all cost. "The economic climate has pressurised employers to reduce costs through retrenchments, but employers have a social responsibility," Hall said.

Huge job losses hit rag trade

By Tom Hood

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STAR 10/4/92

CAPE TOWN — Eight thousand jobs in the clothing industry have been lost since October, with the Western Cape feeling the brunt, says the National Clothing Federation.

Employment dropped from 115 000 in October to 109 500 in January and about 107 000 last month, says the federation, quoting from up-to-date industrial council data.

Arnold Werbeloff, federation economist, says many clothing firms did not reopen in January this year.

In the Western Cape the number of jobs dropped by 1 700 to 51 900 last year.

The number of clothing factories fell by 20 to 1 177, including the closure of seven Western Cape plants.

The industry is showing all the signs of recession. Industry output fell by six percent last year, compared with the relatively prosperous growth of four percent in physical volume in 1990.

The recession was most severe in the last quarter of 1991.

The continued slump in output was reflected in a steep drop in clothing and textile inflation.

Clothing prices in December were 8,6 percent higher than a year earlier, a rate higher than textiles (6,6 percent), but lower than the rate for total manufacturing (9,2 percent).

The figures for 1990 were 15,2, 12,8 and 11,8 respectively.

"The intensifying pressure on prices in the clothing pipeline is indicative of retailers faced with scarce demand and a consumer with scant disposable income," says Mr Werbeloff.

The value of exports for the first eight months of 1991 was R174 million compared with R112 million for the same period of 1990.

This 56 percent rise was a highly commendable effort considering the depressed world market and adverse local conditions.

However, there was a significant decrease in the growth rate of exports and the goal of a doubling to R400 million in 1992 now seems out of reach, with a more likely outcome of R300 million.

"It is likely that the sharp decline in the local market has had

the effect of constraining clothing export growth as the financial resources of domestic apparel manufacturers have been stretched to the limit."

While exports were under pressure, imports were mounting. The value of imported clothing increased by 35 percent from R167 million in the first eight months of 1990 to R225 million in the same eight months of 1991.

"At this rate, imports would grow from R250 million in 1990 to R340 million in 1991.

"Similarly, fabric imports were up by 31 percent to R752 million in the same period, with volumes rising by 29 percent to R217 million."

It is clear that 1992 will have to be a year of restructuring and performance improvement for the local clothing and textile industries.

The World Bank, in a recent report on the local clothing and textile industries, emphasised the possibilities of job creation and exports of domestic production.

Any restructuring of the clothing pipeline should be aimed at fulfilling this potential, says Mr Werbeloff.

Struggle to make a living

FOCUS ON



EXILES

The following profiles of returned exiles reflect the intensity of the unemployment problem they face. Many of them are qualified or skilled in various crafts. Very few have found jobs; the rest are struggling to make ends meet. **PEARL MAJOLA** spoke to some of them, and found that they do not want pity but jobs.

Sowetan 14/4/92

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SBUSISO Mazibuko was a third-year BA administration degree student at the University of Zululand when he gave up everything and went into exile in 1984. He was only 22 years old.

He returned last June with a wife and a child; now they are expecting a second one.

By December all the excitement of returning home had subsided. It was time for Mazibuko to face up to the reality that he had a family to feed and no job - a fact of life for many South Africans.

Instead of sitting back in self-pity, he rented a stall at the Market Theatre flea market. He now sells handicrafts and leather jackets and bags which he imports from Madagascar.

But life has not been all that simple for Mazibuko.

While in exile he had worked for Radio Freedom in Madagascar, where he met and married his wife.

"We were getting an allowance and not a salary, so I could not save," explained Mazibuko.

"When we returned we relied on the NCCR grant, which was then R700 spread over two months.

"My wife and I saved what we could from the grant to rent the stall and buy the goods. But that was not enough capital to get the business going as well as it should.

"There is a demand for the goods we sell but we cannot keep up with it because of insufficient funds. We no longer qualify for the grant and from what we make we must eat, pay rent, clothe ourselves and the child, pay maternity fees for my wife and still buy stock. We cannot manage," he said.

According to Mazibuko, banks and other funding institutions have not been helpful.

"I need about R10 000 capital but these institutions want a guarantee that I will be able to pay them back. I do not own any property and I am unemployed, so I cannot provide them with that security.

"On the other hand, the rate of unemployment is high among exiles despite our skills, because of employer attitudes. They see us as communists and a threat to stability in their companies," he said.



FLASHBACK... The jubilation of returning home does not always last.

TSHIDI Majela has been luckier. After 16 years in exile, he has an attractive curriculum vitae, speaks over 12 languages and found a job only a month after he returned last year.

Sowetan 14/4/92

Majela is communications development officer for the Education Opportunities Council.

He was doing matric when he skipped the country with four friends in 1976. A few months later he was sent to a school of diplomacy in Romania, where he studied for a year.

"I had a choice to take up military training first and study later or the other way round. I went for education first," he explained.

Majela (37) worked in Cuba in 1978 and served as general secretary of the youth wing of the ANC until 1981, when he went to Tanzania to study journalism. He worked for The Chronicle in Zimbabwe for a year.

After graduating he enrolled for a degree in political and

public administration in Zimbabwe. He completed an honours degree and was on the road again, this time to the United States, where he did a masters in development communication and journalism.

He worked for the Drug Control Policy in Washington DC as public affairs manager before becoming public affairs manager and resident consultant for Africare. He was also staff assistant to the ANC mission in the US based in Washington DC.

"I think the fact that I am in the media field made it easier for me to get a job," he said.

"Through a programme called Career Development Institute, with which I worked while in Washington, I networked with many South African organisations like the EOC.

"I sympathise with fellow comrades who are struggling to get jobs. Some of them are highly qualified and should have no problem finding work if it were not for the attitude of some whites. The majority of them still live in the 'old' South Africa," he charged.

SIZA Nxasana is a highly qualified and experienced welder trained in East Germany.

Since he returned last year, he has looked for work in vain and, as his grant approaches an end, his only hope is the loan he might get from the NCCR to start a business of his own. He is married to another returned exile and they have a seven-year-old daughter.

"The NCCR grant is too little for me to look after my family and my mother, whose pension was suddenly stopped for no reason last September," said Nxasana.

"Now I am proposing a project for a small welding business which will help me make a living. Otherwise my family is going to starve.

"I am hoping that I will get a loan from the NCCR to start the business. The project will also provide employment for a few

other exiles who will work with me as welders."

Nxasana is the second of two children left in his family. His two sisters and their father died while he was away. He and his brother, who also has his own family, share the responsibility of maintaining their aged mother.

"As soon as I returned, I looked for work. It has been a problem because I have a certificate from a college in the German Democratic Republic and I was using a different name then.

"To change that I have to send it back to Germany. The biggest problem is that the country is now the Republic of Germany. I know of people who qualified there and are having problems changing their certificates," he explained.

"I want to start my business in Duduza but there is no electricity there so I will have to look for premises elsewhere in that area," he said.

AS exiles return, the realities which have disillusioned many South Africans who remained, strike them fiercely.

One of these is unemployment, which is presently as high as 40 per cent.

Of the 12 240 exiles who have come home, few have found employment outside organisations like the NCCR or the liberation movements.

Yet many are professionals or skilled in various crafts.

For the first six months after arrival those aged 18 and over rely on the R4 250 grant from the NCCR. For the first three months they receive R800, R600 for two months and R400 the sixth month.

The organisation is a project of the United Nations High Commission for Refugees (UNHCR) and depends on donations.

"Most of the professional exiles have years of experience but find themselves in a catch 22 situation because there are certain South African standards they are required to meet in order to get jobs," explained NCCR's National Co-ordinator Mr Moss Chikane.

"For instance, doctors are required to take up internship in state hospitals before they can practise. It does not matter what previous experience they have. When they agree to do internship they are told hospitals are full.

Exiles swelling the jobless queue

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Souter 15/4/92

Few returning exiles have found jobs despite their high qualifications. The only hope for those who have not found jobs is the National Co-ordinating Committee for the Repatriation of South African Exiles which is organising projects, training and is negotiating with employers to consider their plight. This is the last part of a three-part series by **PEARL MAJOLA** on the plight of returnees.



EXILES

go to the association they are told they must have worked in South Africa to

"There are no decent streets in the townships but our civil engineers

SOME RETURNED PROFESSIONALS:

- Aviation personnel: 12. Three pilots who have flown over 1 000 hours each; three flight engineers with five years' experience each; and six ground engineers. All are unemployed.
- Nurses: 20. All trained outside the country and are still unemployed. Negotiations are going on with the South African Nursing Council to register them.
- Doctors: about 50. None of them can practise before they register with the South African Medical and Dental Council.
- Social Workers: Five. Most trained in South Africa. Four employed and one promised a job by the ANC's Welfare Department.

have no jobs," he stated.

According to Chikane, the NCCR is busy negotiating with companies like Nampak and South African Airways in a bid to

place qualified exiles in jobs. Projects and training are already under way for the unskilled.

"We have started a project in the Transkei

where clothes are distributed among exiles for sale. The profit they make is theirs.

"Similar projects will soon be started in other

areas," said Chikane. "In most regions people are being trained for skills by organisations like Phone Efficiency, Chamdor and Malador. to mention a few. These skills include, among others, security, plumbing, pottery, handicrafts and motor mechanics.

"We are hoping that, funds allowing, we will be able to help these people start their own small businesses in their areas," he concluded.

There are thousands more exiles to come. And there are thousands more ordinary South Africans unemployed. But both exiles and the NCCR will not give up hope.



The thousands of exiles have come home, only to find themselves joining the growing unemployed queue despite the fact that some of them are highly qualified.

'Jobs threatened'

ARG 15/4/92

'Drought adds to list of SA's economic problems'

The Argus Correspondent

JOHANNESBURG. — More than 80 000 jobs were likely to be wiped out by the drought disaster and economic losses threatened to reach as high as R1,5 billion, according to surveys by the Congress of South African Trade Unions.

The estimates were revealed by Cosatu general secretary Jay Naidoo when he addressed the annual conference of the Institute of Directors in Johannesburg yesterday.

Three million children in the rural areas were malnourished. The drought disaster added to a growing list of economic problems that confronted South Africa, Mr Naidoo said.

"Unless we can as soon as possible come to agreement on ways of effectively dealing with the problems of the drought, along with shortages of food, housing and other basic needs, our country will go backward rather than forward despite progress at a political level," he said.

"Clearly what a future South Africa needs to confront now is how to generate economic growth in a manner that can underpin and stabilise the transition to democracy."

There was no way that the "forces of the free market" would be able to correct the imbalances between white and black society that had developed in 300 years of government intervention to ensure the protection of white minority interests. It was crucial to debate the role of the state.

"Cosatu has argued very strongly that we require a strong state which is able to intervene decisively in pursuing economic policies that promote growth," he said.

"Particularly, we believe, as in all countries of the world where there is a mixed economy, that certain sectors that deliver basic goods and services must be under public control.

"This is more so the case in South Africa, where the vast majority of people have been denied access to basic needs because of policies of apartheid in the past."

Mr Naidoo said a future state would be unable to act in a bureaucratic or dictatorial manner. It would have to consult with other major players in the economy.

Cosatu would pledge full support to a massive rationalisation of the monolithic apartheid bureaucracy so that public funds could be redirected into job creation and building houses, schools and hospitals.

"The present government is pursuing a conscious policy of government by stealth in all socio-economic areas."

"As we know too well from both our own experience and that of Eastern Europe, any government by stealth can only do lasting damage to the economy and society as a whole," Mr Naidoo said.

Union plans new talks strategies

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THE South African Commercial Catering and Allied Workers Union has adopted new strategies on how best to negotiate better employment conditions for its members.

The decision was taken

Sandor 16/4/92
By TSALE MAKAM

during Saccawu's meeting held in Johannesburg this week.

Among the issues the union wants to address with management are better wages and retrenchment packages.

Saccawu has invited all its members' employers to a meeting, scheduled for June this year, where it will make known its plans.

The union will put forward its demands, including the formation of a national industry forum. This forum will act as a national

body where employees will come together to negotiate their demands and central issues.

Saccawu will also demand the abolition of job flexibility, the use of casual workers and sub-contracting.

Instead of having different forms of pension funds, the union and its members favour a national provident fund for all its members.

Saccawu has also called for the formation of a national industry training board.

15 000 lose jobs, and more will go

8/04/92 16/4/92

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MICK ELLINGHAM

ABOUT 15 000 workers had lost their jobs in the clothing industry since late 1990, National Clothing Federation executive director Hennie van Zyl said yesterday.

Employment at present was down to 109 000 compared with 124 000 at the end of 1990.

These figures — which applied to metropolitan areas, excluding the TBVC states and peri-urban areas — showed that in 1987 the clothing industry employed 106 000.

The SA Textile Federation said its records showed that employment in the textile industry had fallen from 95 600 in 1987 to 93 100 in 1991.

Cape Clothing Manufacturers chairman Simon Jorum said "reductions in employment will continue unless government lowers interest rates by 2% immediately".

More workers would have had to be retrenched if many companies had not used short time in the hope that market conditions would improve, he said.

"It is imperative that the retailers move clothing stock to ensure a flow of goods through the textile and

clothing industries," he said.

Da Gama personnel director Eric Milne said the East London-based textile manufacturer employed 4 300 people at present, the lowest number "for at least the past 10 years". Unless relief to the industry came soon, job losses would continue.

Seardele financial director Arthur Jacobson said, "the textile industry is having a tough time and unless consumer demand picks up, further retrenchments may be necessary".

Short-time measures would be used wherever possible to prevent retrenchments, he said.

Sapa reports that Sales House merchandise director Arthur da Costa said earlier massive job losses and factory closures in the clothing industry would continue unless local retailers gave more support to the local market.

He said import duties, over-capacity, labour, productivity problems and limited disposable income for consumers had all contributed to the declining output of the clothing and textile industry.

The trauma of unemployment is felt by millions of South Africans. It is more than not having a job and an income. It robs people of their self-esteem and confidence. **Leslie Dikeni** shares his experience:

I HAVE A BLUE card. So, I thought, I have nothing to lose and everything to gain by being unemployed.

The door at the unemployment office is guarded by two well-fed Afrikaners. But, I am not afraid. I tell them my problem and they direct me to the second floor.

On the way up the stairs my head spins back to the small Karoo town of Victoria West where I was born. When I think how we lived and how some died, I want to laugh at phrases like "the dignity of labour". I would like to slam the prison door of poverty on some rich fingers.

On the second floor I am greeted by a field of black faces. For a moment I feel relaxed. I do not have to ask what to do because I can see how long the queue is. I wish I had brought a book along. "Che Guevara and the Cuban revolution" or a copy of "Maybuye".

I notice two things. One — big No Smoking signs on the walls. Two — almost everybody is smoking. Again my head spins like a wooden top in the dust of my childhood.

I remember the morning I left home to study at Fort Beaufort. I remember the night I joined Cosas (Congress of South African Students). I remember the day I had to leave the Eastern Cape. The police did not like Cosas.

A madala (old man) sticks his elbow into my ribs. "You just got promotion, move up!" he says. I look at the faces around me. I

Brother, can you spare me a smoke?

South 18/4 - 23/4/92

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NO VACANCIES: Millions face the daily task of trying to find a job Photo: Yunus Mohamed

breathe in the fumes of cheap tobacco and the odour of morning fires still clinging to clothing. Suddenly I feel at home. Here are people who have endured hard times.

When I look back I find my life has been shaped by the revolution. The revolution made a new man out of me: a man who finds most values of present-day society contradictory to his beliefs. My body battles to survive, while my brain dreams of transforming society.

"Sorry madala." I get elbowed up one more seat. I am near the counter now, I look at the clerks' faces, employed faces.

When I arrived in eGoli with my heart throbbing to the beat of revolution, I too found work. I worked for small dynamic church organisations — YCS (Young Christian Students) and then TEP (Theological Exchange Programme). In September last year I became unemployed.

A person without a job is like a tractor without a field.

One more person to go then I am at the head of the queue. I understand why people smoke. I want one. I remember why I am here. I need money. Oh Lord! I need money. Money for food,

money to study — money to send back to Victoria West.

Unemployment today is what pass arrests were to our parents.

When I became unemployed some things got me mad. I knew I needed to improve my level of education.

Yet, some people would ask: "Why not go and study if you do not have a job?", like "Why not turn on the tap if you do not have water?" In the townships and rural areas there is not much water and no money taps.

I must get all my facts straight for this clerk. He speaks rough.

'One more person to go then I am at the head of the queue. I understand why people stand why people smoke. I want one. I remember why I am here. I need money.'

"Where's your blue card?". I give it to him with a smiling face. He does not take long. He does not even look at me. I hear him say I will only get money next year.

Suddenly I do not have words to argue. I take my card and walk away from the queue. Now I know why everybody smokes here.

I see an old man who is sitting and crying. I sit down too. A voice inside my head asks: "Is there really a God to help this guy?" Another voice asks "Why don't all these people unite and make a revolution?"

Yet another voice asks, "Excuse me, you got a smoke?"

Over the next few days I got some answers to my questions. I needed hope! I was tired of the reality of unemployment. Give me hope. My scientific approach to life was crumbling. I was beginning to pray three times a day. When I bought a Sunday paper, I did not read the front page news. I turned to read my stars, my horoscope.

Then it was Christmas. Some friends invited me to Zoo Lake for the day. I felt miserable at our picnic. Near us lay streetchildren sleeping on top of each other like bags of potatoes.

Questions and answers and more questions raced through my head like taxis. Das Kapital? The collapse of communism? America's hamburger empire?

I know that capitalism is too cruel and heartless to be an answer. I want a future with hope. I want my country to care about its people. I want to find work which will help me to find others.

146 workers made redundant 335

LENNON Pharmaceuticals in Port Elizabeth this week retrenched 146 workers. *new 19/4/92*

Chemical Workers Industrial Union spokesman Macvicar Dyasopu said the union was seeking legal advice over the retrenchments.

He said the company's decision this week was taken in "bad faith and without consultation".

But the company's chief executive David Webster denied this, saying: "We gave them every opportunity to consult with us."

Jobs is the thorny issue

The development of the economy, including the stimulation of small business, is an essential ingredient in the changing South Africa.

In the present climate of political change, it becomes imperative to ensure that there is parallel economic development, according to Natbev's corporate social responsibility report released this week.

The report describes some of the company activities over the past year in the fields of the informal sector, business development, education and community development.

Problem

In the opinion of Natbev and the Bottlers of Coca-Cola, the most pressing problem facing South Africa is unquestionably jobs.

Thousands walk the streets with little or no hope of finding employment in the formal sector of the economy, the report states.

It says approximately 500 000 people enter the job market each year, of which the formal sector creates 35 000 extra jobs a year.

The remaining 465 000 unemployed are left with two options:

Join the informal sector and be self-employed; or
Starve.

This, the report says, has resulted in the rapid growth of the informal sector and is one the most important reasons for the Coke system's involvement in this sector.

PROPERTY

Dam means jobs for 300

Sowetan 23/4/92

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Unemployment rate in Balfour on the Far East Rand has been reduced with the creation of 300 jobs by the local municipality.

Balfour town clerk Mr T Joubert said the town council has already begun building the biggest man-made dam in the country, thus easing the unemployment burden.

The new dam will serve as a reservoir for the old one, P van der Merwe Haarhofdam. Valves will be operated in the new dam in such a way that the water is kept at a constant level in the old dam. The dam will be a little higher than the present P van der Merwe Haarhofdam which currently supplies Balfour.

The dam is being built at a cost of R8,2

Sowetan Reporter

million. Joubert said a subsidy from the Department of Water Affairs for R1,6 million, a R4million loan from the Local Government Loan Fund and R2,6 million from the Department of Manpower provided finance for the project.

The work force will comprise people from Siyathemba and the Balfour Village. The site is within walking distance. No travelling costs are involved.

The other objective in building the dam is to provide much needed water for Balfour which should attract industry to the town.

NMC highlights job losses

By DREW FORREST 24/4 - 29/4/92

SOME 5.4 million South Africans — 40 percent of the economically active population (EAP) — lack formal employment, and the formal sector has created a mere 500 000 jobs in the past 10 years.

These startling statistics are contained in the National Manpower Commission's 1991 annual report, released this week. Virtually the only bright spot in the report is its figures on union membership: now 2.75 million in 200 registered unions, over half the EAP of South Africa and the homelands. Membership in 1980 was 808 000.

Throwing a harsh light on the country's crisis of joblessness, the report shows that only seven out of every 100 entrants to the job market currently find work, as against 97 in the 1960s.

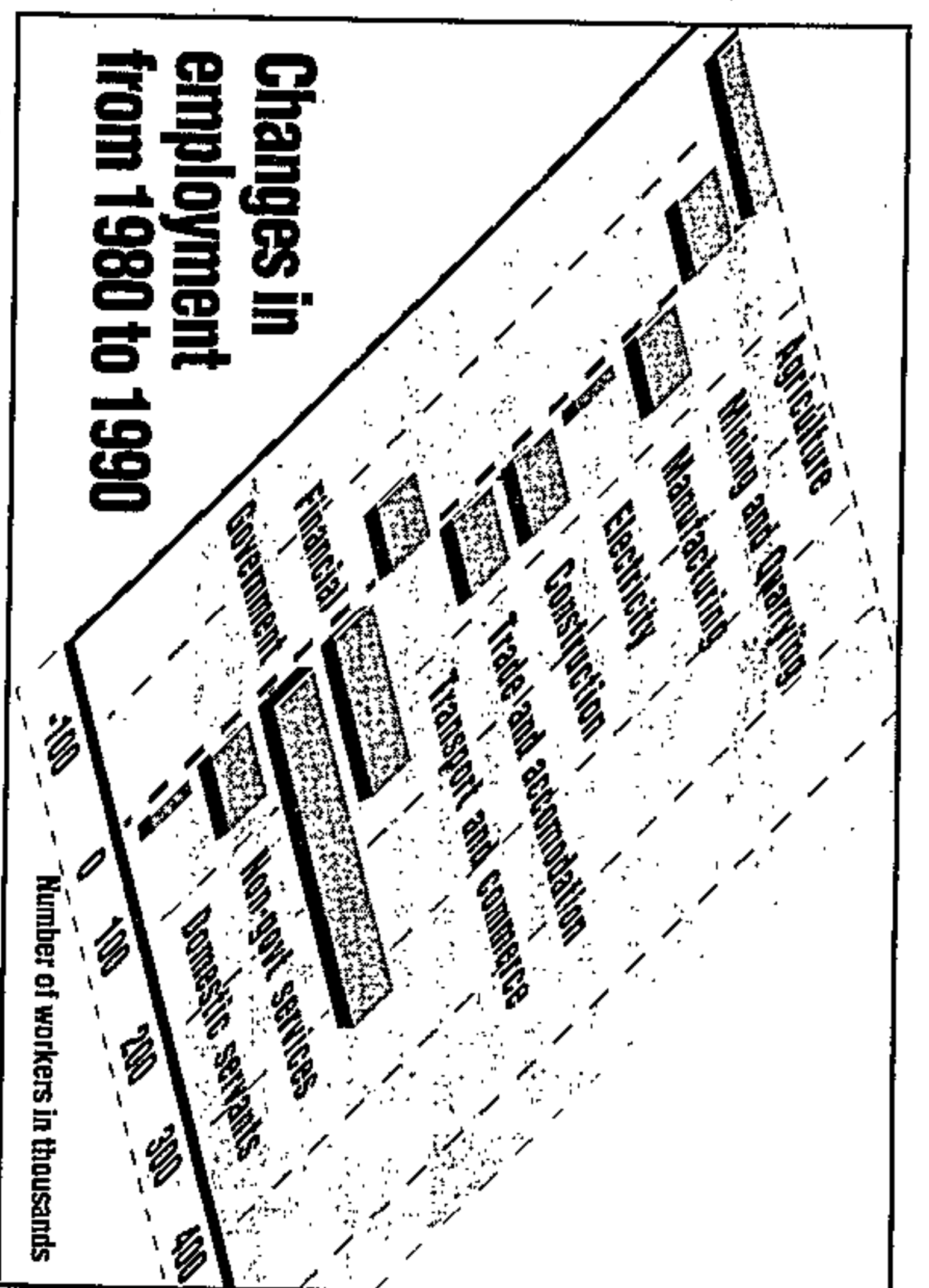
While formal employment has risen only 0.4 percent since 1981, the labour supply has grown by an average of 2.8 percent a year.

Equally disturbing is the sector registering the largest employment growth — government and services. This has swollen by 342 000 in the past decade, and more than doubled since 1970.

From 1980 to 1990, the mining, agricultural and transport labour forces all recorded an absolute fall. Agriculture now accounts for 10 percent of the total workforce, as against 28 percent in 1946.

The NMC report also highlights South Africa's abiding problem of low productivity, noting that unions generally regard this as "a management problem".

Unit labour costs in manufacturing



surged by 14.4 percent between 1985 and 1990, as against falls of one percent in Japan and 0.2 percent in the United States.

The NMC calls for the increased coupling of wage rises with labour productivity but notes that this will require disclosure of financial information and "the significant sharing of the benefits of productivity with workers".

How government boosts unemployment

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Early last year, Rex Williams bought a caravan and set up a general dealer's shop in his backyard, in a coloured township near Vryburg in the Cape. Williams — unemployed for nearly five years — ploughed his life's savings and a great deal of hard work into the venture. Business boomed for the father of two.

Then came some unwelcome attention from the municipality.

Williams was operating with a valid hawkers' licence but the municipality won an interdict in the Supreme Court against his operation in mid-December and halted his livelihood. The council argued that Williams' caravan operation contravened the Town Planning Scheme which prohibits trading from a residential site. Instead, the council wants him to trade only from a few remote areas, where, Williams argues, there is hardly any market.

Williams is appealing with the help of the Small Business Development Corp (SBDC), but, almost five months after he was forced to stop trading, he has no idea when the matter will be resolved. So he and his family wait patiently and survive on his wife's meagre earnings.

Government has taken several major steps in recent years to help entrepreneurs like Williams. In particular, the Businesses Act, passed last year, abolished trading licences for most businesses, lifted restrictions on shop hours and allowed hawkers greater freedom.

But regulations continue to harass small businesses, often blocking entry to the marketplace. Unnecessary laws still restrict the acquisition and use of land, and the production and distribution of foodstuffs and liquor by small businesses. Misguided usury laws also retard small businesses by capping the interest rates on loans at far below the level that banks can profitably lend to this sector.

Government bureaucrats, fearful that deregulation might end their jobs, also frustrate the reform process. In the case of the Businesses Act, President F W de Klerk has been asked to hasten its implementation to avoid further delays by foot-dragging local authorities.

This is illustrated by the Williams case, where a Supreme Court interdict was obtained despite provisions in the Businesses Act.

Says the SBDC's Johan Naude: "Our current statutory framework is still bent on controlling and restricting access to business opportunities." Deputy Trade & Industry Minister David Graaf, however, stresses that government is committed to continued deregulation, though administrative bottlenecks are a problem.

Still, many argue that a stroke of the legislative pen would immediately free conditions for countless businesses and create

much-needed jobs.

In any economy, while large corporations get most of the attention, small businesses create a large percentage of the jobs. In SA, small and medium businesses contribute an estimated 45% to GDP, according to SBDC GM Ben Vosloo.

This sector can be stimulated in many ways.

Take for instance property ownership. While the demise of the Group Areas Act ushered in greater property ownership rights for blacks, the procedures and requirements for obtaining ownership are still complex, unrealistic and costly.

This is particularly so for an entrepreneur trying to acquire a business stand in a township. Says Naude: "An applicant can obtain ownership only through a cumbersome method of tender, even where the applicant has occupied the stand for 20 years." He explains that there is a mechanism that allows the occupant the first option but this is subject to the cost.

"The administrator can intervene and allow the occupant's tender where this is lower than another tender. But the occupant's tender cannot be less than the cost of the property — an amount determined by the cost of services and the market value." In reality



Deregulation ... this entrepreneur could sure use some

this mechanism provides scant relief and much uncertainty.

Applicants must approach the administrator in a delegation — a lengthy and costly procedure that, at the end of the day, doesn't guarantee any success, he says.

Laws restricting the use and zoning of land also hamper many businesses. The mixed use of land — for residential and business purposes — is mostly prohibited and rezoning is costly, lengthy and usually unsuccessful.

An application to rezone takes an average of six months. Says Naude: "We need a system that provides for the flexible usage of land for business and residential purposes. Successful economies rely on mixed usage,

with nuisance standards (such as for noise) acting as the only control measure." He points out that this was the route adopted by countries such as Taiwan, Japan, South Korea and Hong Kong.

The entrepreneur who manages to clear the first hurdles to find premises then faces a host of statutory controls regulating the production and sale of agricultural products.

Says Naude: "Almost 30 marketing boards control small producer and trader involvement in a manner that restricts competition and results in unnecessary costs." He suggests that quality control can take place without stringent controls on marketing.

Onerous health standards

The Law Review Project's Louise Tager says the standards imposed by health authorities also hamper small businesses. "Requirements are unnecessarily high and involve large capital expenses, effectively barring entry into the market."

But health authorities have long argued that the regulations are essential to ensure quality control on products and services. For example, a person wanting to start a food outlet must ensure the premises comply with rules on lighting, tiling, ablution and many other factors.

Naude says all that's needed is one set of standardised regulations for the manufacturing, distribution and selling of foodstuffs that would replace the various costly by-laws. "Regulations tend to overregulate by providing for every theoretical risk. Legislation needs to provide only minimal regulation. We can deal with the exceptions as they arise."

Tager says regulations to impose health requirements based only on cleanliness and hygiene are now under consideration.

Another area that restricts small business is labour law. Many of the hard-won labour gains enshrined in the numerous Industrial Council agreements hamper rather than help small businesses.

Naude points out that small businesses are disadvantaged by the centralised bargaining in forums dominated by larger businesses. "As a result, agreements impose requirements more suitable to big companies," Naude says.

He suggests that a differentiated approach is needed to cater for small businesses. In this regard, the proposals of the National Manpower Commission, published in last week's *Government Gazette*, go some way to alleviating the plight of small businesses.

Tager admits that mediation to encourage small business will always be at the cost of labour rights. She suggests an economic forum is needed to resolve this issue.

"It's a sensitive issue requiring debate and consensus."

In from the cold — but it's chilly ³³⁵ for exiles STAR 20/4/92 at home

Many returned exiles are qualified or skilled in various crafts. They are struggling to make ends meet. PEARL MAJOLA found they do not want pty, they want jobs.

SBUSISO Mazibuko was a third-year BA administration degree student at the University of Zululand when he gave up everything and went into exile in 1984. He was 22.

He returned in June with a wife and child; now they are expecting a second one.

By December all the excitement of returning home had subsided. It was time for Mr Mazibuko to face up to the reality that he had a family to feed and no job.

He rented a stall at the Market Theatre flea market. He now sells handicrafts and leather jackets and bags which he imports from Madagascar.

While in exile he worked for Radio Freedom in Madagascar.

"We were getting an allowance and not a salary, so I could not save," he explained.

"When we returned we relied on the National Co-ordinating Committee for Repatriation grant, which was then R700 spread over two months.

"My wife and I saved what we could from the grant to rent the stall and buy the goods. But that was not enough capital to get the business going properly.

"We no longer qualify for the grant and from what we make we must eat, pay rent, clothe ourselves and the child, pay maternity fees for my wife and still buy stock," he said.

According to Mr Mazibuko, banks and other funding institutions have not been helpful.

"The rate of unemployment is high among the exiles despite our skills, because of employer attitudes. They see us as communists and a threat to stability in their companies," he said.

Siza Nxasana is a highly qualified and experienced welder, trained in East Germany.

Since he returned last year,

Siza Nxasana is a highly qualified and experienced welder, trained in East Germany. Since he returned last year, he has looked for work in vain and, as his grant approaches an end, his only hope is the loan he might get from the NCCR to start a business of his own.

He is married to another returned exile and they have a seven-year-old daughter.

"The NCCR grant is too little for me to look after my family and my mother, whose pension was suddenly stopped for no reason last September."

"Now I am proposing a project for a small welding business which will help me make a living. Otherwise my family is going to starve."

"As soon as I returned, I looked for work. It has been a problem because I have a certificate from a college in the German Democratic Republic and I was using a different name then. To change that I have to send it back to Germany. The biggest problem is that the country is now the Republic of Germany," he said.

Tshidi Majela has been luckier. After 16 years in exile, he has an impressive curriculum vitae, speaks more than 12 languages and found a job only a month after he returned last year.

Mr Majela is the communications development officer for the Education Opportunities Council.

He was in his matriculation year when he left the country in 1976. A few months later he was sent to a school of diplomacy in Romania.

Mr Majela (37) worked in Cuba in 1978 and served as general secretary of the ANC's youth wing until 1981, when he went to Tanzania to study journalism. He worked for The Chronicle in Zimbabwe for a year.

After graduating he enrolled for a degree in political and public administration in Zimbabwe. He completed an honours degree and achieved an MA in development communication and journalism in the United States.

He worked for the Drug Control Policy in Washington DC, and for Africare. He was also staff assistant to the ANC mission in the United States.

"Through a programme called Career Development Institute, with which I worked while in Washington, I networked with many South African organisations like the EOC."

"I sympathise with fellow comrades who are struggling to get jobs. Some of them are highly qualified and should have no problem finding work if it were not for the attitude of some whites. The majority of them still live in the 'old' South Africa," he said. □

STAR
Retrenchments

at Samcor plant

29/4/92
By Roy Cokayne 335

Motor manufacturing giant Samcor is poised to retrench "surplus" workers at its Waltloo plant.

Samcor, which has a total workforce of about 5 000, signed an agreement with Numsa in June last year in terms of which a moratorium was placed on all retrenchments. The moratorium expires in June.

"Negotiations with the union are going to be very tough for both parties. We can't live with a continuation of the moratorium and I think their approach is that they can't live without it," said newly-appointed Samcor group managing director Mr Robert Herbertson.

**Labour colonies
mooted by MP**

CAPE TOWN — The time had arrived to put certain unemployed people into labour colonies, Dries Bruwer (CP Lydenburg) said yesterday.

"There are people looking for work who hope not to find it," he said during debate on the regional and land affairs budget vote.

"The time has arrived to put those many people into labour colonies," he said, adding that they made a drastic contribution to the country's security risk. — Sapa.

Motor job security in danger

By DON ROBERTSON

STimes (Buss)
TRADE union insistence that the moratorium on retrenchment in the motor industry be extended for another 12 months could lead to crippling strikes. 315192

Motor manufacturers and the National Union of Metalworkers of SA (Numsa), representing about 37 000 workers, agreed last year that no hourly paid workers would be laid off for a year.

The moratorium was linked to production targets set by manufacturers.

Vehicles sales continue to fall and motor-makers say they cannot afford to extend the moratorium after it expires in June. Several are working a short week and Samcor, assemblers of Mazda, Mitsubishi and Ford, closed its operations for two weeks last month. 32

Child 335

Many manufacturers say they are overstaffed in terms of expected sales.

Apart from job security, Numsa has asked for a 25%, or R2 an hour, pay increase, 15 days' leave a year for "child care", additional compassionate leave, six months' maternity leave, 10 hours a month for union meetings, 20 days' leave a year for shop steward training and the elimination of discrimination in employment.

Agency finds jobs for older workers

AN increasing number of companies and older employees are using the services of the Senior Citizens Employment agency of Cape Town.

The agency is being approached by older employees who are being retrenched because of the recession, and they are being matched with companies trying to find cost-efficient means of surviving in a harsh economic climate.

Businesses fighting a shrinking market share, increased and intense competition, budget cutbacks and uncertainty and change in the workplace are desperately looking for an answer to some of their problems.

They are finding it by employing older people on a temporary or permanent basis.

Senior Citizens Employment Agency says these people represent the best use of human resources because they are:

- Hands-on and value driven and get back to the basics of business with minimum training.

- Are less inclined to "job hop".

- Most likely to develop loyalty to their new employer.

- Not usually looking for the fast track up the corporate ladder.

"We have many older employees on our data base, from engineers and technicians to accountants and secretaries and from storemen to caretakers," says a Senior Citizens Employment Agency spokesperson.

The Cape Town branch manager of Senior Citizens Employment Agency, Deborah Leigh Kenny, says the agency is getting many applications from people aged 45 upwards.

"We are successful at placing several of them, but the trouble is that they get comments like 'We don't take anyone over the age of 45' or 'You don't have many years of work left in you'.

"Despite this, companies are increasingly on the lookout for older employees and we are pleased to say we have been able to help."

24 percent blacks are unemployed ³³⁵

Sowetan 4/5/92
INCREASING urbanisation and unemployment were two of the most distressing findings in the Population Census 1991 report compiled by the Central Statistical Service.

An article in the May edition of the RSA Policy Review, outlining trends in South Africa, quotes the head of the CSS, Dr APT du Toit, as saying these two trends were cause for concern because urbanisation was usually the result of employment seekers flocking to cities.

"It is therefore distressing to note that unemployment figures have risen from 920 101 in 1985 to 1 940 097 in 1991."

Rapid urbanisation had resulted in three in every five South Africans living in cities or towns, while one of every five economically active people considered themselves to be unemployed.

Urbanisation has resulted in 17,3 percent of blacks living in squatter camps and informal dwellings, compared to 3,9 percent in 1985.

The report said most unemployed people were black (24,5 percent).

Of those who stated their income, most whites and Asians fell into the R10 000 to R29 999 annual income group. Most coloureds and blacks fell into the annual income group of R1 000 to R2 999.

Another trend which emerged was that the level of education has increased since 1985. - Sapa

(335)
**'Jobless
threaten
economy'**
ARC 5/5/92

DENNIS CRUYWAGEN
Staff Reporter

UNEMPLOYMENT is contributing to destabilisation and could thwart South Africa's return to international finance and weaken prospects of investment and job creation, says retailer Mr Christo Wiese.

At the conference of the Institute of Chartered Accountants today, he said urban unemployed needed to be incorporated into the economy "if we want to avoid a social disaster".

Although the government had extended its special employment programmes, these could not create permanent jobs or infrastructure.

"Do we automate and thus become more cost-efficient — or do we create more jobs to reduce our staggering levels of unemployment with attendant problems of political instability, violence and crime?" he asked.

"Both automation and job creation must be accommodated".

The economy had be restructured. So, too, had the labour force, which was hopelessly underskilled and unproductive, Mr Wiese said.

"We need a closer relationship between teaching institutions and the private sector to ensure that what, and how, people are taught will satisfy the needs of a growing economy."

**'Success
possible'**

Staff Reporter

Economic platform for transition 'very shaky'

STAR 515192

CAPE TOWN — The net number of jobs in South Africa's formal sector has hardly increased in nearly 12 years, says Old Mutual chairman Mike Levett.

Giving the keynote address on socio-economic challenges facing business in SA at the ninth national congress of chartered accountants in Cape Town, Mr Levett said the potential labour force was growing at about 2,5 percent a year.

This resulted in an estimated 5,4 million unemployed people in 1989, of which a large proportion fell into the "lost generation" and could be considered virtually unemployable due to lack of skills and poor attitudes towards society.

"South Africa is urbanising at an extremely fast rate.

"For example, the United States' urbanisation rate was 100 000 people a year during the strife-torn 1960s. Our rate is 300 000 people a year in a far smaller and poorer country.

"Furthermore, most of these have no fall-back option to subsistence farming, consequently there is a strong tendency to form gangs surviving on a life of crime."

Economic refugees

While the informal sector absorbed some of these people, many were economic refugees eking out a living, rather than people productively employed generating significant new wealth.

The economic platform for the transition to democratic rule was "a very shaky one".

The per capita GDP had been declining for more than a decade, investment had declined to unsatisfactory levels, unemployment had been rising rapidly to reach very high levels and South Africa had an extremely unequal distribution of income.



Mike Levett . . . continuing decline in real income of whites.

"Furthermore projected economic performance remains very weak.

"Even assuming the most optimistic conditions under the present set of economic policies, it will not be able to meet minimum black expectations, while there will be continued decline in the real income of whites.

"In addition there will be hundreds of thousands more unemployed blacks in the urban areas as a potential addition to the social problems already occurring in the black communities.

"Minimal provision for addi-

tional services in the townships is likely unless vigorous and bold action is taken immediately to address the economic problems."

Mr Levett warned that weak economic performance would threaten the success of political negotiations and could well derail them.

Success was possible but two things were needed.

"Firstly, we need to enhance the capabilities of all our people, both individually and collectively.

"Economic resources available to the communities will have to increase in ways which enhance their opportunities over time to earn higher incomes, enjoy a wider range of opportunities and, in the end, to receive a larger share of the fruits of the economy.

"We need to invest in educational systems that teach skills and attitudes which will permit workers to achieve increased productivity and thus increased incomes over time."

The second change needed was a new economic strategy which was outward-looking and manufacturing orientated, said Mr Levett. — Sapa.

BMW starts retrenching at Rosslyn plant

By Roy Cokayne

Several employees at BMW's manufacturing plant at Rosslyn have been retrenched as part of a restructuring programme.

However, communica-

tions manager Johan Kleynhans says the company does not have a target number of job cuts.

STAR 7/5/92

Implementation of the restructuring programme had been in pro-

gress for some time and would be completed in the next few months.

"It involves the entire company but has started with senior staff and will then move downwards," he said.

74 000 claim UIF monthly

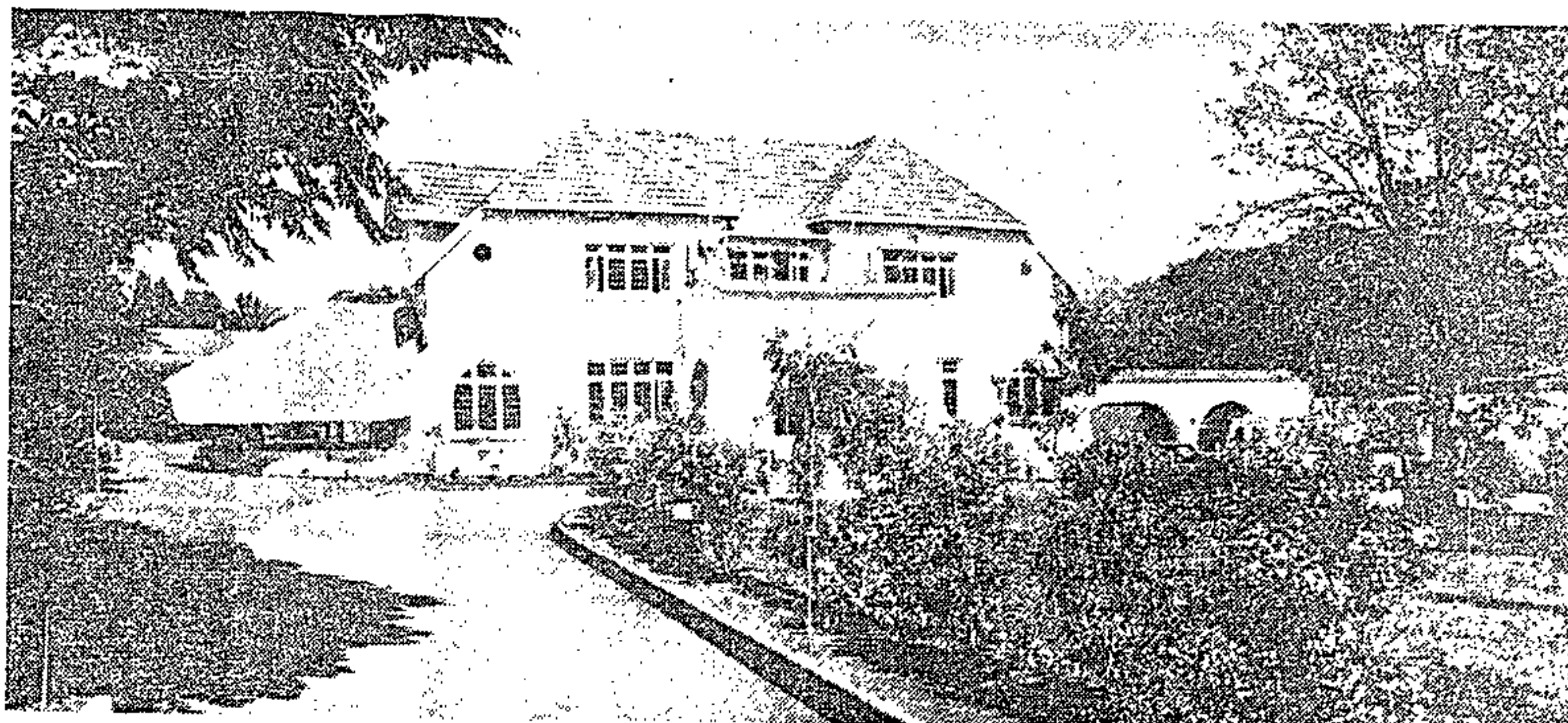
ABOUT 74 000 jobless people had claimed unemployment benefits each month this year, 12 000 more than in 1991, Deputy Minister of Manpower Mr Glen Carelse, said yesterday. 27/5/92

There was no cause for concern that the Unemployment Insurance Fund (UIF) would not cope, despite the flood of applications, he said during the Manpower Budget vote debate.

Contributions to the fund would not be increased soon. 335

The maximum annual income for contributors to qualify for unemployment insurance had been raised to R53 044 on May 1 from R46 332.

UIF claims were paid out within four weeks of application and delays were mostly caused by employers who did not comply with the act, he said. — Sapa



The new Mandela residence in Lower Houghton, for which the ANC paid R500 000.

Picture: BRIAN HENDLER

Transnet fund invests on JSE

LINDA ENSOR

CAPE TOWN — The Transnet Pension Fund would invest between R500m and R1bn on the stock market and about R500m in property development this year, MD Anton Moolman said yesterday.

While R2bn was available for share investments and R800m for property investments, Moolman did not think the JSE and the property market had the capacity to absorb such large amounts of money.

He said at end-March 1992 the pension fund had invested R300m in property and R3,3bn in shares.

The aim was to have 55% of the fund invested in shares, 10% in property and 35% in cash and stocks.

The actuarial shortfall of the fund was R8,5bn at end-March 1991. Strategies to address this shortfall included partially funding the fund by issuing it with Transnet stock, increasing contributions to the fund and channelling future profit into the fund.

It would be possible to solve the problems of the pension fund by 2000.

Moolman said it was unlikely that Transnet had made a profit in the year to end-March 1992 — the figures were still being audited — and had either broken even or made a slight loss. He expected difficult conditions this year.

Number of jobs 'will shrink again this year'

LINDA ENSOR

CAPE TOWN — Prospects for job seekers this year remain gloomy as employment in the non-agricultural sector is forecast to fall a further 0,9%, says Stellenbosch University's Bureau for Economic Research director Ockie Stuart in an analysis of economic trends.

This follows last year's estimated drop of 2,1% in the number of jobs.

The ability of the formal sector to absorb labour had declined from 97% in the sixties, to 72% in the seventies and to 22% in the eighties. Between 1985 and 1990 the level of absorption was 7%. Stuart forecast a growth of 0,8% in employment next year.

"Consumer spending is forecast to recover rapidly from the fourth quarter of 1992, and to continue doing so during the remainder of the forecast period (the end of 1993)," Stuart said. He forecast an average growth rate of about 0,5% for 1992 and 4% in real terms for 1993.

The upturn in world trade towards the end of the year would raise merchandise export earnings by about 12,3% in the second half of the year compared with the 4% in the first half, to give an average for 1992 of 8,8%. In 1993 export earnings were projected to grow by 22% as SA benefited from a rise in commodity prices.

Prospects for gold were bleak, with an

average gold price of \$350,00 forecast for 1992 and \$375,00 for 1993. Net gold export earnings for 1992 could be 4,1% above last year while 1993 should see a growth of over 13% due mainly to the anticipated depreciation of the rand.

A 7,6% depreciation of the rand against the dollar was predicted for this year and 4,6% for next year.

Stuart forecast a substantially smaller surplus on the current account of the balance of payments of about R4,5bn due to the need to import maize.

An average inflation rate of 14% was forecast for 1992 and 12,5% for 1993. Stuart said the estimated 14,5% increase in wages this year and 15,5% next year would contribute to the high inflation rate.

An 8,4% average decline in durable goods expenditure was forecast for this year with a substantial recovery likely early next year. A significant recovery of semi-durable goods expenditure was projected for the last quarter of 1992.

Real gross domestic fixed investment by the private sector, which showed a decline of 6,5% in 1991, is forecast to decline again this year. Next year, however, it should show an increase.

Residents dismiss reports of Malawi coup

JONO WATERS

BUSINESSES in Malawi's commercial and industrial city Blantyre had been ransacked by discontented workers over the past two days, residents said yesterday.

They said the looting was not politically inspired and reports of a coup in the country were incorrect. Sapa reported that diplomats in Malawi had said at least 10 people were killed in the unrest, which had spread to the capital Lilongwe. Stores belonging to President Hastings Banda were particularly targeted.

The unrest was apparently triggered by a wage strike earlier in the week by about 3 000 textile workers at the David Whitehead and Sons factory. The situation worsened when thousands more workers took to the streets on Wednesday.

The army set up roadblocks outside Blantyre and ordered workers to return home. Sporadic shooting was heard.

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B/day 8/5/92
LINDA ENSOR

Prospects for jobs (335) gloomy ^{cr8/5/92}

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Hiring trend points to recession's end

By AUDREY D'ANGELO
Business Editor

DEMAND for temporary staff has been increasing in the past eight weeks — normally a sign that a recession is ending, the MD of Kelly Personnel, John Dawkins, said this week.

"I have noticed a distinct upward trend in employment of temporary staff, not just in Cape Town but all over the country.

"This tends to happen when business is picking up but a firm thinks it too soon to take on another permanent staff member.

"Other signs things are getting better are an increase in car hire and more business people staying in hotels. These, together, show that business is starting to buzz again."

Meanwhile, Dawkins advises office workers to acquire new skills and update their know-

ledge of computer software packages in preparation for the upturn.

"Firms are cutting down on training during the recession, but many people will find it worthwhile to acquire more skills at their own expense. They will find themselves in demand and able to command higher salaries when the upturn comes.

"In Johannesburg we are noticing a demand for multi-lingual secretaries as more doors open in Europe. We expect this to increase as more companies do business with Europe.

"Staff who can speak European languages will soon be needed in Cape Town."

Dawkins thinks foreign companies planning to enter SA will look first at Cape Town because this area "seems to be surviving the transition period better.

"And with modern communications there is no need to locate

your head office in the concrete jungle."

He said on a recent visit to the US and Europe he had noticed firms making more use of temporary staff, hired from an agency, and believes this trend will be followed in SA.

"There is a tendency overseas to operate on a small nucleus of permanent staff and get other people in when the work is there for them to do.

"The benefits are that firms do not have to worry about PAYE, unemployment insurance, holiday pay, year-end bonuses, medical aid and pensions — or retrenchment expenses if staff have to be reduced when times get tough.

"They also avoid the costly mistake of taking on someone who turns out to be unsuitable but is hard to get rid of."

Temporary staff normally earn more than permanent staff, he said.

A Business Times Feature

Unfair to sack sick workers

STimes (BUS) 10/5/92
(335) (42)
IT is considered an unfair labour practice to dismiss an AIDS employee on diagnosis.

A recent Industrial Court judgement outlined stringent guidelines concerning dismissal for incapacity.

The court found that the employer must investigate "the extent to which the employee is unable to perform his former duties". The employee is entitled to take part in the investigation to the extent necessary to protect his interests.

The case may require "further medical investigation and opinion and/or the employee being asked to perform his former tasks to demonstrate his ability or lack of ability."

The employer must consult the employee to find out whether he is capable of performing his duties, or whether they can be adapted so that he can continue to do his work, either alone or with reasonable assistance.

If the employee cannot continue with his former duties, the employer must find out whether alternative work is available in the organisation.

Gary Taylor, human resources manager at Med-Scheme Administrators, says: "Although pre-employment testing might be unpopular, it is understandable why employers would want to avoid recruiting from a high-risk labour pool."

Because of the court finding, AIDS is likely to cause considerable disruption to employers. Some symptoms of AIDS include dementia, depression, loss of bowel control and blindness in progressive stages.

mitted to the UN.

"Nevertheless, (State) President FW de Klerk and his party want to cling to the monopoly of political power."

Referring to the current wave of

The ANC leader said SA would watch with interest De Klerk's reaction following allegations that the security forces were implicated in the killing of three Cradock men

years about the

No civil service missed if the A although early considered, Ma

Cosatu aids drought victims

By DAN DHLAMINI

COSATU has demanded that no farm workers or other workers be retrenched as a result of the drought. *Clipped 10/5/92*

Launching a campaign this week to counter the bias in government drought relief towards white farmers, Cosatu's executive Committee noted in a statement that no effective poverty or drought relief was in place to assist the millions

of people facing starvation, especially in the rural areas.

Cosatu said the government has allocated R1 000-million in this year's budget for drought relief, the bulk of which will be used to prevent white farmers from going bankrupt and to win their confidence for votes in the forthcoming elections - instead of preventing mass starvation.

The statement claims only R20-million has been

allocated to farm workers. *335*

It added that millions are facing famine in the bantustans.

As part of its drought relief campaign, a senior Cosatu delegation will meet and discuss the crisis with community leaders in affected areas.

Cosatu will also launch a nationwide campaign in factories and workplaces to collect money for those affected by the drought.

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New approach to retrenchment

Wilson Zwane (335)

UNCONVENTIONAL thinking was necessary to avoid retrenchments, said personnel consultant Denis Keenan-Smith in the latest edition of People Dynamics.

Keenan-Smith said the failure to save jobs was fraught with "potentially serious political consequences".

He said since a retrenchment programme was an equivalent of a "process of asset stripping", it should be embarked upon only after all alternatives had been explored and exhausted.

Besides "conventional retrenchment avoidance methods" — such as manpower planning, retraining, job sharing and overtime limits — unconventional thinking was also necessary.

Keenan-Smith proposed a multi-mini-manufacturing concept which would have as its prime objective not simply the avoidance or limitation of retrenchments, but also the companies' survival.

"Its aim is the improvement of productivity levels and the profitability of the enterprise," he said.

The concept, which relied on creative and unconventional thinking and which was intended as a mechanism and a process, would focus on people and draw on fundamental organisational and motivational principles.

"It mobilises the collective energy of employees and encourages and enables all employees to increase their involvement in decisions affecting their work and work environment," Keenan-Smith said.

Lesotho water scheme adequate for seven years

Adrian Hadland

ADRIAN HADLAND

THE R10bn Lesotho Highlands Water Project would provide adequate water supplies to the PWV for only seven years before additional water would have to be found elsewhere, probably at a cost of several more billions, experts said this week.

Future scenarios being investigated included obtaining water from the Zambezi or constructing a pipeline to central African water sources, said Johannesburg City Council executive director of water and waste Melvyn Watson.

Requirements

"Most of the world's major cities are built on rivers or have access to sufficient water supplies. Johannesburg sprung up because of gold and water is scarce," Watson said.

The first phase of the Lesotho Highlands scheme, which would provide up to two thirds of the PWV's water requirements, would be completed in 1997. By 2 004 however, an additional water source would have to be found to meet the region's growing demand.

"We can live without electricity,

but not without water. Without water, this city will die," said Watson.

PWV ratepayers faced increasing water tariffs as planners struggle to provide sufficient quantities.

The region's water consumers paid almost R10m a month, in the form of a special levy, towards the costs of the Lesotho project. This amount was expected to triple before water from the project was connected to the Vaal river system.

The levy of 10c a kilolitre would be increased to 14c in October. Average domestic consumption was about 25kl a month — meaning an average levy of R2,50 a household. Total PWV monthly consumption was 80-million kilolitres.

The council was expected to announce new increases in municipal water tariffs next month which would "take into account" the rising Lesotho project levy, said Watson.

Apart from the R1bn share of the project which was the Lesotho government's responsibility, PWV ratepayers would be expected to pay the balance, almost R9,7bn.

Gradually increasing levies up to

1997 were expected to soften the blow of expensive water supplies from Lesotho once the project was on line.

The project's managing engineer, Willie Croucamp, said funding would "all come from the water consumer" in the PWV region. State aid was provided on a small scale for some infrastructural development together with the initial funding for the feasibility studies.

Watson said: "Johannesburg is a drought-stricken area and we have just got to have the water. Whatever the end cost, we who need the water will pay for it."

Financing

The full scope of the Lesotho project, which would take 30 years to complete in four phases, included six major dams, 225km of tunnels, three pumping stations and 650km of new or upgraded roads.

And while the financing of the scheme, which involved 30 major loans in six currencies, was one of the largest exercises of its kind in the world, only seven years after its construction the PWV would once again be on the prowl for new supplies of water.

1011

Hansard

WEDNESDAY, 13 MAY 1992

Hansard

1012

state-aided school is thus not required any longer.

The MINISTER OF MANPOWER:

For written reply:

General Affairs:

Number of unemployed

244. Mr P J PAULUS asked the Minister of Manpower:

How many (a) Whites, (b) Blacks, (c) Indians and (d) Coloureds were unemployed as at the latest specified date for which figures are available?

	335
Since August 1991 registered unemployment figures in respect of the different population groups are no longer available. During July 1991 (a) 50 943 Whites, (b) 175 292 Blacks, (c) 13 037 Indians and (d) 49 260 Coloureds were registered with the Department of Manpower as unemployed.	
The latest registered unemployment figures for all population groups are for November 1991 and are as follows:	
Males	202 782
Females	79 801
Total	282 583
B565E	

1013

Hansard

WEDNESDAY, 13 MAY 1992

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HOUSE OF REPRESENTATIVES

QUESTIONS

Indicates translated version.

For written reply:

Own Affairs:

Computer equipment to schools in Riverlea area

4. Mr T R GEORGE asked the Minister of Education and Culture:

- (1) Whether, with reference to the Riverlea area, any computer equipment has been supplied to the (a) Wilhelmina Hoskins Primary School, (b) T C Esterhuysen Primary School, (c) Riverlea First Primary School and (d) Riverlea Senior Secondary School; if not, (i) why not and (ii) when is it anticipated that such equipment will be supplied to these schools; if so, (aa) what equipment and (bb) when;
- (2) whether he will make a statement on the matter?

C18E

The MINISTER OF EDUCATION AND CULTURE:

- (1) No.
- (i) Because of a lack of funds.
- (ii) As soon as funds are available.
- (2) No. A statement is not deemed necessary.

Teachers: surplus

7. Mr T R GEORGE asked the Minister of Education and Culture:

- (1) Whether there is a surplus of teachers in respect of schools falling under his Department; if so, (a) what is the extent of this surplus in each province and (b) on what basis was this surplus determined;

- (2) whether any such teachers are employed in his Department in non-teaching positions; if so, (a) how many and (b) in what positions;

- (3) in respect of what date is this information furnished;

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

C21E

The MINISTER OF EDUCATION AND CULTURE:

- (1) (a) Yes.
- | | |
|-------------------|-------|
| Cape Province | 2 102 |
| Transvaal | 70 |
| Orange Free State | 39 |
| Natal | 92 |

- (b) The surplus is determined by means of waiting list statistics kept by the Department's regional offices.

- (2) This information is not available because statistics to this effect are not kept by the Department.

- (3) 1 April 1992.

- (4) No. A statement is not deemed necessary.

**Eastern Cape
News Agency**

ACTIVISTS, unionists and civic organisation members are staging a sit-in at the Cape Provincial Administration offices in Port Elizabeth in protest at the retrenchment of 357 Ibhayi workers.

The delegation has been protesting since noon on Monday, after a meeting with the CPA failed to resolve the issue.

A spokesman for the ANC, Mr Phila Nkayi, said today the sit-in would be indefinite.

"The delegation took the decision to stage the sit-in because of the intransigence of the authorities as

PE activists stage sit-in after Ibhayi dismissals

Soufaw 13/5/92 (335)
indicated by their attitude to the corruption cases, their basic negligence of the livelihood of our people and the unilateral decision over the retrenchments," said Nkayi.

He said on Monday night, when they went to take food to the delegation, there was a strong presence of riot policemen.

"We were not allowed to give them food. During

the day they were also refused food. I think it is a basic breach of basic human rights to refuse people food. They have not eaten since noon Monday," said Nkayi.

He said if no positive response was made by the CPA today there would be a "small march to demand that the comrades be given a hearing, as they are the representatives of the workers".

CPA regional representative Mr Danie Bezuidenhout said yesterday morning the police had been informed of the situation but no action had been taken against the demonstrators.

Jobless total of 5,4-m ³³⁵ the highest since WW2

STAR 14/5/92
There are nearly 5,4 million people out of work in South Africa — the highest number since World War 2, according to the National Manpower Commission.

Addressing a vocational counselling symposium at the Careers 2000 exhibition in Pretoria yesterday, NMC deputy director Norman Muller said the unemployed total had jumped from 2 million at the last census to the current level of 5,4 million.

Mr Muller said the NMC, with other organisations, was investigating critical areas of the job market in a bid to find solutions.

Get-Ahead Foundation managing director D MacRobert said his organisation was placing 1 500 people in jobs each month.

"People will do anything to work and we have approached the Government to lift all the red tape so that they can work," he said. — Sapa.

It's official — ^{CT 14/5/92} 335 40% without jobs

Own Correspondent

PRETORIA. — The National Manpower Commission (NMC) estimates the number of people without formal sector jobs is 5,4-million — 40% of the economically active population — NMC deputy director Norman Muller said yesterday.

Speaking at a Careers 2000 seminar, Muller said about 2,5-million to 3-million of these were in the informal sector, leaving about the same number without any work at all.

He said an economic growth rate of at least 5% was needed to accommodate new entrants to the labour market. Growth of between 8% and 10% was needed to significantly lower current unemployment. About 400 000 new workers entered the labour market every year — about 1 400 every working day — between 1980 and 1990. But the formal economy could accommodate only 50 000 workers a year.

He found statements by economists and politicians that the SA economy had reached a turning point strange and misguided.

He expected the economy to struggle for at least two years with a low growth rate — if not a negative one.

Muller said the Unemployment Insurance Fund, was receiving 74 000 new applications every month.

5-million 'have no formal jobs'

1023 GERALD REILLY 335

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He found statements by economists and politicians that the SA economy had reached a turning point strange and misguided.

He expected the economy to struggle for at least two years with a low growth rate — if not a negative one.

A new political era would possibly begin at the beginning of next year, and the economy might possibly show positive growth from 1994.

Muller said the Unemployment Insurance Fund was receiving 74 000 new applications every month.

DOWN AND DESPERATE

THE PLIGHT OF POOR WHITES 1

DESTITUTION has reduced more than 100 families to living in an empty Vereeniging school.

"These people are broken. They don't believe in themselves. We have to help them pick themselves up and start again," said Marius Muller who runs the Place of Refuge in Peacehaven.

The families living there are among the estimated 5.4-million people in South Africa without formal employment.

The school centre has been open since November last year. Families, single mothers and single men have come from all over the Reef to set up humble homes in classrooms, the tuckshop, behind the school hall stage and in a staff lounge.

They include people who have always struggled financially as well as those who until recently could call themselves middle class.

Ria and Nicholas Els had a four-

Reports: CLAIRE ROBERTSON ■ Pictures: ROB HADLEY

bedroom home with a swimming pool in Randfontein before Mr Els was retrenched two years ago. Unable to find another job, he moved his family to smaller and smaller homes until his pension ran out.

Now the couple live in a primary school classroom with their three children and grandmother. The family's furniture is arranged in an open-plan bedroom and lounge, with a religious mural chalked on the blackboard.

LOAN

Mr Els, a fitter, has hitch-hiked across the country searching for work. He will take any job to support his family.

Down the corridor his sister Veronica Roodt shares another classroom with her husband, Andre, and their small son.

The school is on loan from the

province and financed by contributions from the community.

Peacehaven helps families who have nowhere else to go, no matter what their race. However, only white families have applied so far.

The school is the first of 20 centres the Place of Refuge organisation hopes to establish. It already receives twice as many applications as it can meet.

With no social security net to catch the jobless in South Africa, accurate unemployment figures are impossible to come by — but all economists agree the position has deteriorated to a frightening extent.

The National Manpower Commission this week put the number of people without formal jobs at more than five million.

The Unemployment Insurance Fund is receiving 74 000 new applications each month.

Between 1988 and 1991 registered unemployment more than doubled, and non-agricultural employment in the private sector has declined steadily since 1990.

Private disposable income has shrunk over the past nine months, according to Reserve Bank figures.

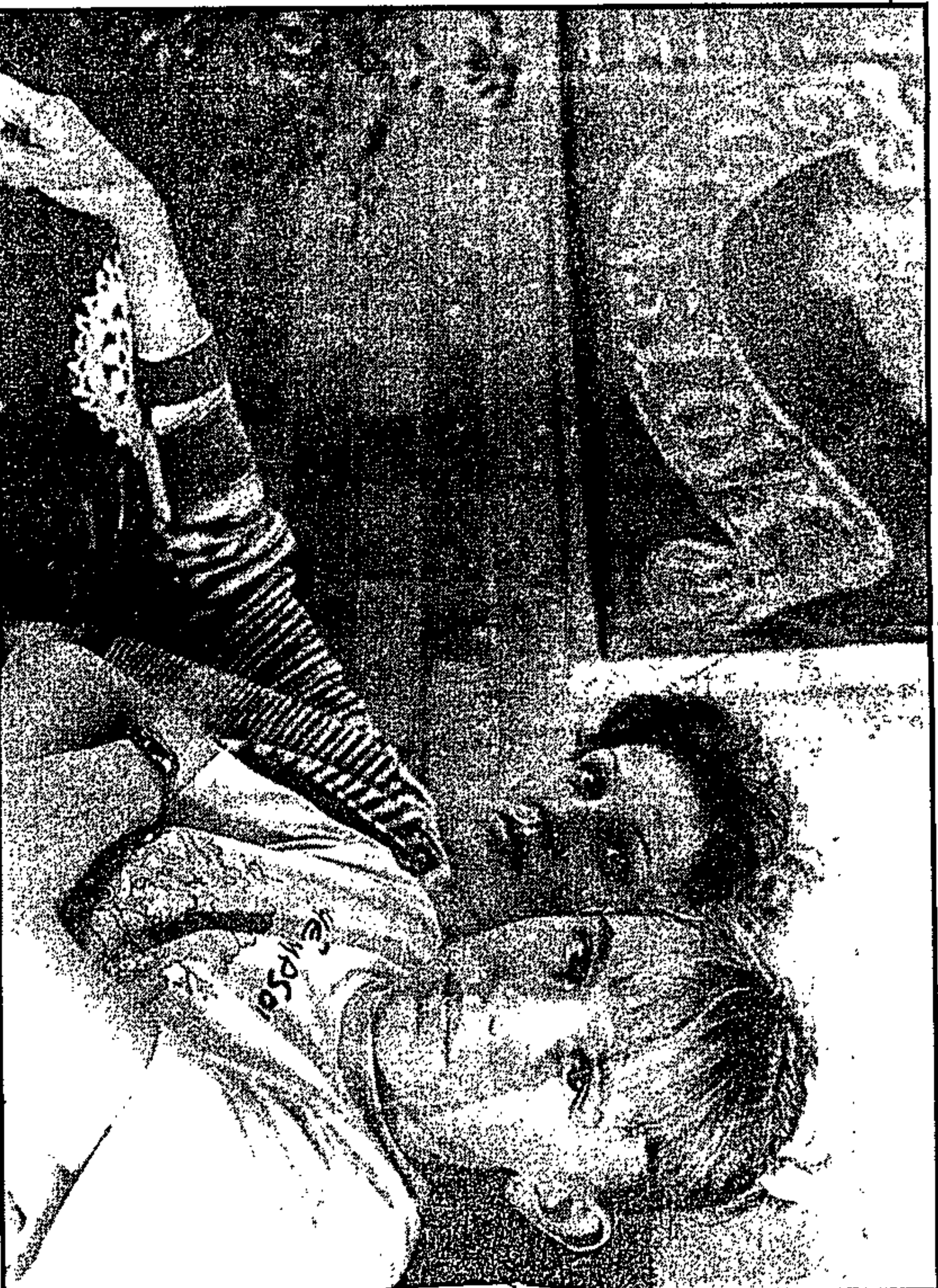
Mr Keith Lockwood, an economist with the SA Chamber of Business, said the position was getting "significantly worse".

DEPRESSION

A leading economist said he thought unemployment and poverty was worse now than during the depression years.

Mrs Kleinfjelle Pereira, director of the Werk en Orleed (work and survive) welfare body in Pretoria, said poverty was "very serious and worsens by the day".

"We are feeding more than 5 000 families a month. We thought this would be a temporary situation, but the need just grows."



HARD TIMES... Ria Els, who used to own a four-bedroomed house, with her daughter Babs in their classroom home

'Municipalities could face labour unrest'

8/10 am 19/5/92

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MUNICIPALITIES countrywide would face "serious labour unrest" if recent staff retrenchments continued, the SA Association of Municipal Employees (SAAME) president Hans Deetlefs said this week.

A spokesman for SAAME, which represented about 50 000 skilled municipal workers, said yesterday a flurry of retrenchments had been announced "all of a sudden" in the last three weeks.

He said this was happening as local authorities prepared to announce their budgets for the coming year.

"We hear about retrenchments daily and that makes us worried," Deetlefs said.

The spokesman said the association was currently conducting negotiations over "reasonable severance pay" with a number of large and small local authorities across the country.

Meanwhile, Sapa reports that DP MP for Port Elizabeth Central Eddie Trent yesterday called for the immediate imposition of a general moratorium on the retrenchment of municipal employees.

Trent said during the own affairs local government budget vote that the temptation to retrench staff had become a major political issue and, unless treated with sensitivity and caution, could effectively derail "one-city" forums.

Deetlefs told a SAAME conference in

ADRIAN HADLAND

Stellenbosch at the weekend that certain municipalities had made retrenchment of their staff "the latest ballgame".

"It has become fashionable at some municipalities to retrench staff in an effort to compete with other municipalities as to who has the lowest labour costs," he said.

Deetlefs said the management committee chairman of one municipality in Transvaal had stated recently that 200 employees were to be retrenched.

"This kind of action causes serious labour unrest and distrust in the municipal employers and places a question mark over their political motives."

A number of municipalities canvassed in the Transvaal said while they were not retrenching in the immediate future, a number of posts were being left vacant.

Deetlefs said the association would "do everything possible to prevent retrenchments" and would sponsor litigation in the industrial court.

The association was also concerned about the interference of political attitudes in the appointment of officials.

"In some cases, the most capable person never gets promotion because he belongs to the wrong political party," he said.

Many at Nedcor face axing

SIGNIFICANT structural changes within the Nedcor Group could see more than 100 employees facing the axe, industry sources said yesterday. *Blom*

One source at the bank said the figure could be as high as 400. *22/5/92*

Nedcor CE Chris Liebenberg said last night the 400 figure was "totally inaccurate", but would not commit himself to a number.

However, he said it was inevitable that certain positions would be lost in any restructuring but, in line with the group's policy, "superior performing staff" would be reallocated within the wider group.

Liebenberg said the Nedcor group, which employed

325
TIM MARSLAND

about 18 000 people, had over the past few years reduced staff through natural attrition.

At Nedcor subsidiary Finanskorp 35 jobs are on the line. Internal services senior GM Tony Laubscher said attempts were being made to place the 35 in other divisions, but staff who lost their jobs would get a minimum of three months pay.

In the Nedcor Bank human resources division, 70 staff members out of a total of 340 may face the axe. Human resources executive GM Philip Bacchioni said there were no plans to retrench staff, and attempts were being made to place staff in the group.

Nedcor Bank divisional director Mike Leeming said fewer people were needed in the human resources department following the

Perm-Nedbank link-up.

Liebenberg said it was a worldwide phenomenon that banks were trimming operations. SA banks had to keep up with global trends to remain competitive.

Meanwhile, an Absa spokesman said the banking group's rationalisation was progressing according to plan. The group's objective was to give people certainty regarding their positions as soon as possible.

Meredith Jensen reports that the recent incorporation of Bankorp into Absa has prompted many former Bankorp employees to join the Financial Institutions Workers' Union (Fiwu).

The union said yesterday since April 1 nearly 600 workers who feared they might be among the 4 000 Absa/Bankorp employees scheduled for retrenchment this year have become union members.

R1bn lifters

RETAILERS can expect to lose more than R1-billion, or about 2% of sales, to shoplifters this year.

With unemployment running at more than 40%, the crime rate will worsen before it improves.

Bryan McDermott, general sales manager of Securisearch, an electronic article surveillance company, says some large retailers will lose as much as R50-million. Nearly every retailer will be hit in some way or another. Sophisticated networks are in operation and acquire stolen goods with ready markets. *ST Times (Buss) 24/5/92*

Theft almost always flows through to the consumer, "but he will not be able to continue to absorb the make-up charges to compensate for stock losses".

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Fertiliser staff cuts

By DON ROBERTSON

A RESTRUCTURING of the retail and marketing divisions at Sasol Fertilizer has resulted in a reported 160 employees being retrenched.

Sasol had planned to give details this week, but considerations for employees and discussions with co-operatives forced a postponement. It is believed that divisional changes to the retail structure will result in savings, which are expected to be passed to farmers. *(335)*

The changes will not affect the entire marketing or all the sales representative team, nor will it result in any cut in production. *(240)*

Domestic

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Save jobs or save an industry

STAR 25/5/92

335

THE POOR state of the South African economy is forcing South African employers and trade unions to confront the highly emotive question of how to contain the human cost of workers losing their jobs by the thousands.

Efforts by unions and management to cushion the impact of retrenchments have met with only limited success, making job security a central issue in labour relations.

The issue has emerged as a major stumbling block in the current wage talks between the National Union of Metalworkers (Numsa) and car manufacturers (BMW, Volkswagen, Toyota, Mercedes Benz, Nissan, Saab and Delta).

The bone of contention is Numsa's demand that the current moratorium on retrenchments, which expires next month, be extended. Employers have dug in their heels, arguing that a resolution of the other issues up for discussion, relating to pay and conditions, depends on how the moratorium issue is dealt with.

BMW's Dave Kirby, chairman of the employer caucus in the talks, said employers felt that in the circumstances, layoffs were essential to controlling costs in a situation of declining output.

"Our view is that if we reduced manpower we would be able to give the people who remain full employment and that the (moratorium) agreement was a short-term offer.

"The difficulty lies in sustaining such an agreement in the long term, especially if you cannot foresee what will happen in the industry in a period of four to six months," said Mr Kirby.

Although mindful of the fact that job security was important to employees, employers were reluctant to enter into an agreement they could not sustain in the long run.

The motor manufacturing industry, which survived a severe recession in the mid-1980s, is again experiencing a decline in demand, after recovering slightly three years ago. Sales of motor cars, for instance, dropped from

221 342 in 1989 to 197 736 last year.

Numsa has also demanded a halt to retrenchments in the other sectors where it is represented — the steel and engineering, tyre-manufacturing and motor industry (the latter including operations such as petrol stations and panelbeaters).

The union is concerned that, hurt by a global drop in steel products and the curtailment of State expenditure on large projects, last year steel and engineering alone shed 35 000 jobs, and that retrenched metal workers are swelling the numbers of the unemployed at an average rate of 3 000 a month.

Numsa chief negotiator Les Kettledas said: "We believe that workers should not be the ones to pay for the state of the economy. We are concerned about the rising level of unemployment because it brings about many social problems.

"Our view is that that when retrenchments take place they are a cost-cutting measure by employers. We believe that employers

should instead look at alternatives to retrenchment, and have committed ourselves to discuss with them the long-term growth and viability of the industries concerned," said Mr Kettledas.

In mining, also reeling from large-scale job losses due to inflation and a depressed gold price, the NUM has put forward a restructuring programme for the industry. The proposals, first suggested to employers during the Mining Summit last June, are currently the subject of discussion in working groups including employers and union representatives.

Meanwhile, a key element of the proposals, focusing on rescuing marginal gold mines through State aid in the form of tax pay-backs (thereby preventing mass retrenchments), has been taken up by the NUM in the case of Rand Mines' Harmony gold mine, where 8 000 jobs are on the line.

The NUM, believing that its approach can succeed only with the support of both the State and capital, has asked the Free State mine's owners to back the union in

making representations to the Government.

Employment on gold mines affiliated to the Chamber of Mines alone shrank about 20 percent from 534 255 in 1986 to 424 273 last year, with more jobs set to be axed this year.

NUM assistant general secretary Marcel Golding explained that while the union accepted that the gold mining industry was set to contract in terms of output and labour "in the next 10 years", it believed that job security was a workers' right which should not be taken away "without due process and adequate compensation".

"We are not saying that in every situation there should be no retrenchments, but that we need an industry-wide retrenchment policy which will look at the future of the industry, including a properly managed down-scaling programme which provides for a national re-training scheme for retrenched workers," said Mr Golding.

Believing that gold mining's crisis was a structural one, the union

wanted the establishment of a permanent mining commission which would oversee the inevitable down-scaling in the industry.

Chamber of Mines chief economist Francois Viruly agreed that there were limits to what could be done to shore up the industry and save jobs in the short term.

"The rationalisation programmes undertaken by the industry have been relatively successful. But in the final analysis the question that has to be answered is whether one can keep a mine going profitably. To a certain extent the life of a mine will be determined by whether the fiscal authorities can bring inflation under control. If inflation continues to increase costs, even our gold reserves will, in the long run, become unprofitable," he said.

In the retail industry, afflicted by shop closures and retrenchments, the SA Commercial, Catering and Allied Workers' Union has called for a crisis meeting with employers to discuss ways of saving jobs as the industry restructures itself. □

Accord threat to top agenda

WILSON ZWANE

THE threatened withdrawal from the national peace accord by the ANC's PWV region and its allies will be high on the agenda at today's urgent meeting of the full national peace committee.

It is understood ANC NEC member Sydney Mufumadi will be in an ANC team. Inkatha will be represented by national chairman Frank Mdlalose and government's delegation will include national peace secretariat member Gert Myburgh.

National peace committee spokesman Val Pauquet said the meeting — convened a month early because of escalating violence — would appeal to all regions to remain active and committed to the peace process and not to regard withdrawal from dispute resolution committees as a solution to problems.

The PWV regions of the ANC, SACP, Cosatu and the Civics' Association of the Southern Transvaal (Cast) last week said they were considering pulling out because government and the security forces had signed the accord in bad faith.

● Comment: Page 8

More executives lose jobs

SENIOR and middle management executives are feeling the draft as the recession takes its toll.

Placement industry sources confirmed yesterday there had been an escalation in the retrenchment of top staff, adding that sectors most severely affected were banking, mining, engineering and retailing.

Career Transition International director Neil MacDonald said an inflow of applications and accompanying curricula vitae had been experienced over the past year as retrenched executives sought new jobs.

The number of layoffs at managerial level rose steeply last year with more companies approaching career consultants to help alleviate the problem of displaced managers, he said.

MacDonald said companies had offered employees handsome retrenchment packages of six months' to a year's salaries, but decided to look for more viable solutions, one of which was finding them work.

"Companies are putting on a more humane face when it comes to releasing trusted, experienced staff for whom there

is no place in the restructured company."

Chart Outplacement Consultants MD Monty Wood agreed that job applications from retrenched business executives had increased over the past six months.

Companies were increasingly recognising the need to run tight and well-structured enterprises.

"Competent management needs to look at efficiency and cost elements, especially in times of recession."

Wood said even when the economy improved, companies would maintain "right-sized", tightly run operations.

Chart Consultants director Rod Meintjies said UK companies were "delaying".

Company hierarchies were closing the gap between higher and lower ranked workers, a development helped by the advancement of computer technology. An efficient computer database enabled top management to make decisions without having to consult middle management staff.

Station upgrading hit by funds shortage

WILSON ZWANE

THE SA Rail Commuter Corporation (SARCC) project to upgrade nine Soweto railway stations has run into financial difficulties, it was disclosed yesterday.

The corporation announced in March this year it would pump R11,9m into the project aimed at improving the service.

SARCC MD Kobus Nel

said the upgrading of Naledi, Inhlazane, Dube, Phomolong, Phefeni, Mzimhlophe, Midway, Chiawelo and Nancefield stations was part of a larger project to develop a number of stations on the Reef.

An SARCC spokesman said yesterday the project

had become too expensive so the corporation had to reconsider it. It was due for completion next month.

He said the need to incorporate requirements from the community and the Goldstone commission Of inquiry into public violence and intimidation in the planning of the project had hit the budget.

Now 74 000 out of work collecting⁽³³⁵⁾ from UIF

The Argus Correspondent

JOHANNESBURG. — Applications for unemployment benefits soared from an average of 43 000 a month in 1990, to 62 000 in 1991 and 74 000 in 1992, and there is no sign of the climb stopping in the current economic climate.

Unemployment Insurance Fund commissioner Mr Jack Scheepers said the fund was paying out about R105 million monthly to about 220 000 beneficiaries in five different categories: Maternity, sickness, adoption, death and, by far the biggest, unemployment.

The maximum salary for qualifying for unemployment benefits is R53 000 a year.

Mr Scheepers said the fund was "very sound" and its current reserves stood at R1,1 billion.

However if the present economic situation persisted or worsened, it might become necessary to reassess the actuarial projections.

A total of 176 000 employers are registered with the fund, collectively responsible for deducting contributions from 6,1 million employees.

The current rate of contributions is 0,9 percent from each employee, matched by the employer, making a total contribution of 1,8 percent of salary to the fund.

Mr Scheepers said these were low compared with the scale of benefits, which equalled 45 percent of the employee's latest monthly earnings, and the fact that benefits paid over six months generally matched contributions paid over 20 to 25 years.

It was important that employees realised they had to apply to one of the Department of Manpower's 488 payout points or any Department of Justice for UIF benefits within 91 days of being retrenched, even before receiving their unemployment insurance record card, or they risked being disqualified for late application.

During 1991 the UIF prosecuted 7 000 employers who did not have blue cards or did not pay contributions to the fund during the year.

SOWETAN BUSINESS

Growth stifled says study

By JOSHUA RABOROKO

SOUTH Africa's economic growth is limited and its high unemployment rate has worsened through the lack of economic growth, says the 1991/92 Race Relations Survey.

In its overview, the survey quotes a study by Professor Servas van der Berg and Mr Krige Siebrits of the University of Stellenbosch which found that South Africa was a typical middle-income country in the same league as Algeria and Hungary.

"It is indicative of this country's limited economic strength that the output of the whole South African economy is smaller than that of most cities in industrial countries with populations of five million or more," the authors of the study say.

They note that South Africa's resources to solve social problems are limited and that the means available for addressing poverty are not as great as often thought.

The country already spends a relatively large proportion of its income on social services such as education and health.

The authors add: "The problem lies not in the unduly low priority of education and health expenditure but in a misplaced emphasis on the needs of the affluent rather than the poor."

The institute's own analysis of the 1991/92 budget showed that spending on education, health, welfare and housing amounted to 40 percent of total expenditure.

The country's defence budget, previously a major consumer of the budget cake, was cut by nine percent.

Poorest

The Stellenbosch study illustrates that South Africa's per capita income of R6 870 a year "just scraped it into the bottom layer of upper middle-income countries".

Ethiopia, at R630, was the poorest and Japan, at R63 060, the wealthiest country.

Turning to the question of unemployment, the survey quotes Dr Chris Stals, governor of the South African Reserve Bank, as saying that the ori-

gin of rising unemployment was to be found in increasing labour costs.

Unit labour costs rose by 17,2 percent in 1989 and 16,3 percent in 1990.

Unemployment was aggravated by the fact that the economy had shown virtually no growth during the year.

Indeed, the Reserve Bank reported in June last year that the economy had been contracting for about 27 months, "which was considerably longer than the average length of 17 months of such cyclical contractions since the beginning of the 1940s".

Private sector analysis foresaw unionised workers' obtaining wage settlements of between 15 and 15,5 percent during 1992.

Referring to the rise of crime, the survey says the escalation of violent crime such as bank robberies, vehicle hijackings, murder and rape, had seriously increased the risk of large-scale emigration of white skills from South Africa.

It notes that in the six months between April 1 and September 30 1991, there were 146 bank robberies in which more than R12 million was

stolen. In one three-month period in Durban alone, 268 vehicles were hijacked, 220 of them at gunpoint.

According to the survey, the Commissioner of the South African Police, General JV van der Merwe, denied claims that the police were unable to curb crime. The rate of the increase in crime in 1991 was lower than the previous year, the police said.

In his report for 1990, published last year, the police said there had been an 8,53 percent increase in serious crime, the highest rise in 10 years.

By the end of December 1991 political violence during that year had claimed 2 672 lives, according to preliminary statistics compiled by the SAIRR.

Record

As a result, the institute said, the death toll for the year had been about 20 percent lower than the record figure of 3 699 the previous year.

The total number of fatalities recorded by the institute in the seven years and four months since violence erupted (in the Vaal Triangle) at the

beginning of September 1984 was 11 910.

The survey says more educational institutions desegregated themselves, among them Government schools.

The survey also says the Conservative Party, opposing the repeal of the Group Areas Act, had warned blacks who bought land in white areas that their right of ownership would be taken away from them should the party come to power.

However, two CP members sold their houses on the East Rand to blacks.

During 1991, the National Party was accused of arranging secret deals with the ANC but was also accused of forging an alliance with the Inkatha Freedom Party against the African National Congress, according to the survey.

The Pan Africanist Congress, shortly before a preparatory meeting at the end of November for Codesa, accused the ANC of "being in cahoots with the regime", adding that it had made secret deals with the Government in order to rule the country with the NP by decree for many years.

Well-dressed join queues of jobless

By Shirley Woodgate 335

STAR 29/5/92

Unemployment is a growth sector in South Africa. While statistics fail to tell the true story, the human drama is revealed by the daily queues on the first floor at 18 Rissik Street, the Department of Manpower's regional head office in the heart of Johannesburg.

"These men and women are meaningful people who have lost their jobs and who desperately want work to survive," said the department's regional director, Monty Knoesen.

"They are not the hobos from the local park, but skilled and unskilled workers — from labourers to professionals — whose lives have been devastated by unemployment."

The people in the queues at manpower centres in New Canada, Roodepoort, Sandton, Polly Street and Rissik Street are well dressed and silent.

Men and women of each race arrive on separate days. This is done at the bigger centres for "practical, administrative" reasons, Mr Knoesen said.

When The Star visited the Rissik Street centre, it was the turn of black men to apply for unemployment benefits.

As usual, the first trickle started at 7 am — men like Milton Shezi (28) from Vosloorus, a spice mixer who was retrenched when the department where he had worked for five years was closed down.

George Rabaloi (65) was a

flat cleaner for 17 years in Bellevue where he received R346 a month. "They said I was too old and gave me three months' pay and told me to go."

"I will have to return to Pietersburg as there is no money for food," he said.

Diamond polisher Charles Mthabela (31) was left jobless with about 20 other employees when their firm closed down.

After 11 years, his R1 200 a month pay cheques stopped and he walked out with a golden handshake of R1 500 to pay the R300 monthly rental of his Yeoville flat and feed his wife and two children.

"We try to place the unemployed — they could be anything from engineers to secretaries or labourers," said Mr Knoesen. "In April we placed 2 950 in positions."

An estimated 5.4 million people or 40 percent of the economically active population in SA are out of work — the highest it's been since World War 2, according to the National Manpower Commission.

"We see between 2 500 and 3 000 daily and the number is growing," Mr Knoesen said.

Added to the numbers of the urban unemployed are the refugees from the rural areas, people escaping poverty on the land who will pass George Rabaloi on the lonely trip back to his homeland.

Today a Sandton accountant may be looking for a job, tomorrow an illiterate squatter from Orange Farm will join the queue, both sharing a common goal — bare survival until the good times roll.

Own Correspondents

JOHANNESBURG. — Nearly 20 000 workers have lost their jobs in the mining, engineering, and construction industries so far this year as labour bears the brunt of the prolonged recession.

All three sectors are closely linked. Low gold and other commodity prices have blighted the mining industry, and have had a drastic knock-on affect on those companies which supply the sector with mining equipment and building materials.

Rand Mines yesterday began retrenching 5 000 workers from its marginal Harmony gold mine, just one day after Gengold announced 1 100 jobs would go at its West Rand Consolidated gold mine.

Harmony's workforce has fallen from 30 000 workers to 19 000, and now 14 000 on the latest wave of job cuts.

A Gengold spokesman said the group's workforce was 48 000, down from 53 000 at the same time last year.

An Anglo gold and uranium division

Thousands more jobs fall prey to recession

(335)

CT 3/6/92

spokesman said its workforce had fallen to 172 000 at the end of April this year, compared with 181 700 at the same time in 1991. He said the job-cutting programme at Freegold's north and south divisions was coming to an end. The mine had lost 15 800 jobs, about 15% of its complement.

Meanwhile, the Steel and Engineering Industries Federation of SA (Seifsa) said yesterday that more than 11 000 employees had been retrenched in the metal industry in the first four months of this year.

SA Federation of Civil Engineering Contractors economist Henk Langenhoven said employment in the civil engineering sector dropped from about 96 000 in 1989 to about 60 000 at the end of 1991.

20 000 workers lose jobs this year as labour takes recession's punch

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He said the job-cutting programme at Freegold's north and south divisions, under

EDWARD WEST and
MATTHEW CURTIN

way since late 1990, was coming to an end. The mine had lost 15 800 jobs, about 15% of its full complement, but early retirements, natural attrition, extended unpaid leave programmes had ensured retrenchments numbered only 4 000.

Employment levels on gold and coal mines are at their lowest level since the late 1970s, says the Chamber of Mines.

Meanwhile, the Steel and Engineering Industries' Federation of SA (Seifsa) said

yesterday that more than 11 000 employees had been retrenched in the metal industry in the first four months of this year.

Seifsa economist Michael McDonald said retrenchments in the first four months of 1992 were worse on a monthly basis than any other time since 1989, and there was little sign of a recovery this year.

Quoting statistics from the National Industrial Council, McDonald said employment of hourly paid workers slumped by 21% to 358 000 in 1991 from 454 000 in 1985. Last year, 34 325 were retrenched. Two years ago, 3 000 signed up for training as

quarter of 1992, compared with declines of 11% and 9% in the second and third quarters of 1991 respectively.

Building Industry Federation of SA economist Charles Martin said official statistics indicated that construction industry employment had fallen by 26 000 to 235 000 since 1989. However, he was sceptical of these statistics and believed employment had dropped by more than 40 000 over the period. He predicted further retrenchments this year.

McDonald said the falling number of artisans in the steel industry was especially serious because when the economy improved, there would not be enough skilled workers to cope with production demand. In the longer term, however, employ-

ment levels should pick up with increased exports of manufactured goods, infrastructural growth such as housing, electrification and service industry developments, and the possible development of infrastructure in the southern African region.

Seifsa's statistics also indicated that there had been virtually no production capacity growth over the past decade. However, there was still vast potential for improved production capacity utilisation, he said.

A recent survey showed the main inhibitor of increased production capacity utilisation was an inability to obtain skilled labour for extra shifts. About 70% of SA's manufacturers — aside from continuous processing industries — operated on a one shift basis, said McDonald.

artisans. Just over 1 000 would be trained this year. Retrenchment levels usually peaked towards the end of a recession. The most serious sector affected was the construction industry, McDonald said.

SA Federation of Civil Engineering Contractors economist Henk Langenhoven said employment in the civil engineering sector dropped from about 96 000 in 1989 to about 60 000 at the end of 1991.

However, he believed the trend had begun to bottom out and he forecast only a 1%-3% drop in employment in the first

To Page 2

Gold Fields the 'greenest'

KATHRYN STRACHAN

GOLD Fields received the Green Trust Environment Award's top prize in Johannesburg yesterday.

The awards, sponsored by Nedbank, were presented to winners in five categories by Green Trust Board of Trustees member Enos Mabuza.

Gold Fields Foundation administrator Willie Jacobs said his company's project aimed to teach people to produce food in a way least harmful to the environment.

The winner of the individual category was farmer and teacher Ian Garland.

The John Bisseker Secondary School won the schools category and the media award went to reporter John Yeld.

Winners of the organisation category were Ecological Clubs for Children Organisation and Metropolitan Open Space System.

Rusfurn to retrench 988 employees, says union

DIRK HARTFORD

RETAIL group Rusfurn plans to retrench 988 employees from its Wanda-Frazer furniture stores as part of its restructuring, says a SA Commercial, Catering and Allied Workers' Union (Saccawu) official.

Saccawu will be holding nationwide lunchtime demonstrations at Wanda-Frazer stores today to protest against the retrenchment plans.

Saccawu said yesterday it had been told the stores — which employed about 8 000 people — had lost R78m in bad debts. The company had made an offer of a R100 across-the-board pay increase for Wanda workers on the condition that the union accepted its restructuring plans.

The Saccawu spokesman said the retrenchments were part of an overall assault on retail workers which included wage freezes and mass layoffs.

He said there would be national mass demonstrations by its 100 000 members on Monday to protest against these attacks. Saccawu was planning to meet all retail employers in two weeks' time to discuss the crisis in the industry. The union wanted a moratorium on retrenchments.

Rusfurn spokesmen yesterday declined to comment on the retrenchment claims.

Meanwhile, wage negotiations at Edgars and Dion have been finalised, with R200 across-the-board increases bringing minimum monthly wages within the companies to R1 200 and R950 respectively.

...the ... destroyed

Municipal protesters arrested

Weekly Mail Reporter

FOUR people were arrested in Brackenfell, Cape Town, this week as thousands of municipal workers around the country held pickets demanding an end to retrenchments.

The workers were also calling for a halt to the state's restructuring of the local government sector and for a living wage.

The arrested workers, who were charged with violating municipal by-laws, appeared in the Keisriver court on Wednesday and were released on bail of R100 each.

More than 800 workers in the Vaal participated in the pickets, organised by the South African Municipal Workers' Union (Samwu). Hundreds took part in Pretoria, Bloemfontein, Kimberley and the southern Cape.

According to Samwu Vaal chairman Sunnyboy Matsoso, the major threat facing union members is retrenchments.

Matsoso said the Interim Measures Act, which proposes the merging of black and white neighbouring councils, "will bring about the rationalisation of services and lead to the loss of jobs". W/Mail 5/6-11/6/92

Cape Town Samwu representative Rodger Ronnie said: "Police in Bloemfontein confiscated posters in the picket, while in Mitchell's Plain a scuffle broke out between workers and police when they tried to take away the posters."

The pickets were a build-up to marches planned for June 10 in 13 cities around the country, he added.

100 000 lose jobs as sackings continue

MORE than 100 000 workers have lost their jobs in the industrial sector in the past 18 months.

Heavy retrenchments are likely to continue for at least another six months.

But while private-sector employment plummets, the public sector continues to grow and grow (see graph). Hardest hit in the private sector have been building, mining and construction.

The steel industry has also suffered. Its layoffs are the worst since Steel and Engineering Industries Federation of SA (Seisa) figures were first collated in 1989.

Graphs charting the retrenchment figures in the various employment sectors from Central Statistical Service show a dismal picture of plunging lines.

Some economists, however, say the position is not as bad as the figures suggest. Azar Jammine, chief economist at Econometrix, says that of the estimated unemployment figure of about

6-million, as many as five-million are involved in the informal sector. Many are able to eke out a living.

Dr Jammine says that although it is difficult to measure the extent of the informal sector, it is estimated that its contribution amounts to about 15% of gross domestic product. It is believed to be growing by about 10% a year.

States

"If this is the case, the informal sector could add about 1.5% to the growth rate each year, suggesting that the expected drop of 0.5% this year could be understated. The position is not as alarming as it appears."

Dr Jammine says a mild improvement in the economy can be expected soon.

But a growth rate of between 3% and 4% a year — as in the Far East — will be necessary if rising unemployment is to be halted. He does

not expect this to happen before the end of the decade.

Edwin Basson, chief economist at the Small Business Development Corporation (SBDC), puts the number of people in the informal sector at about 4.5-million.

Of the total population, about 14-million are employed. About 8-million of them work in the formal sector, leaving 6-million jobless. Of them, he believes about 3.5-million operate in informal business. They include domestic servants.

Another 1-million are subsistence farmers. Total unemployment is, therefore, about 1.5-million.

Dr Basson says about 2.2-million are employed by the Government, including the TBVC states, in equal proportions.

He adds, however, that about 106 000 jobs were lost last year as a result of companies being liquidated or through business rationalisation.

Dr Basson estimated last year that only about 7% of matriculants would find jobs. He believes his forecast has been borne out.

Seisa members shed more than 2 800 jobs in May alone.

Chief economist Michael McDonald says that in 1989, 15 700 Seisa employees lost their jobs. The figure rose to 27 000 in 1990, 34 000 the following year and was 13 878 in the first five months of this year.

Civil

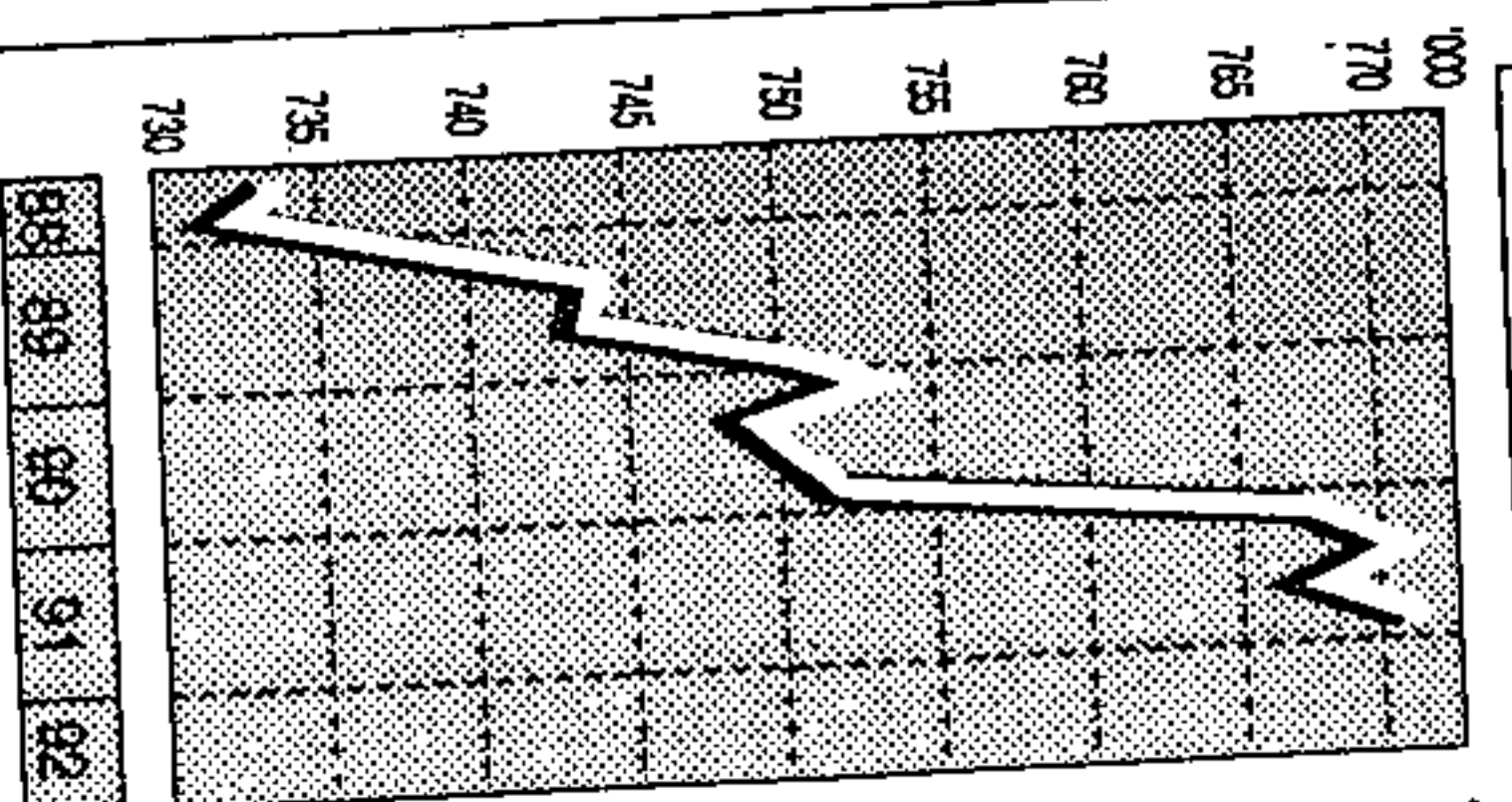
Mr McDonald says retrenchments usually peak towards the end of a recession. That gives him hope.

Charles Martin, chief economist of the Building Industries Federation of SA (Bifsa), says about 40 000 people have lost their jobs in the industry since 1989.

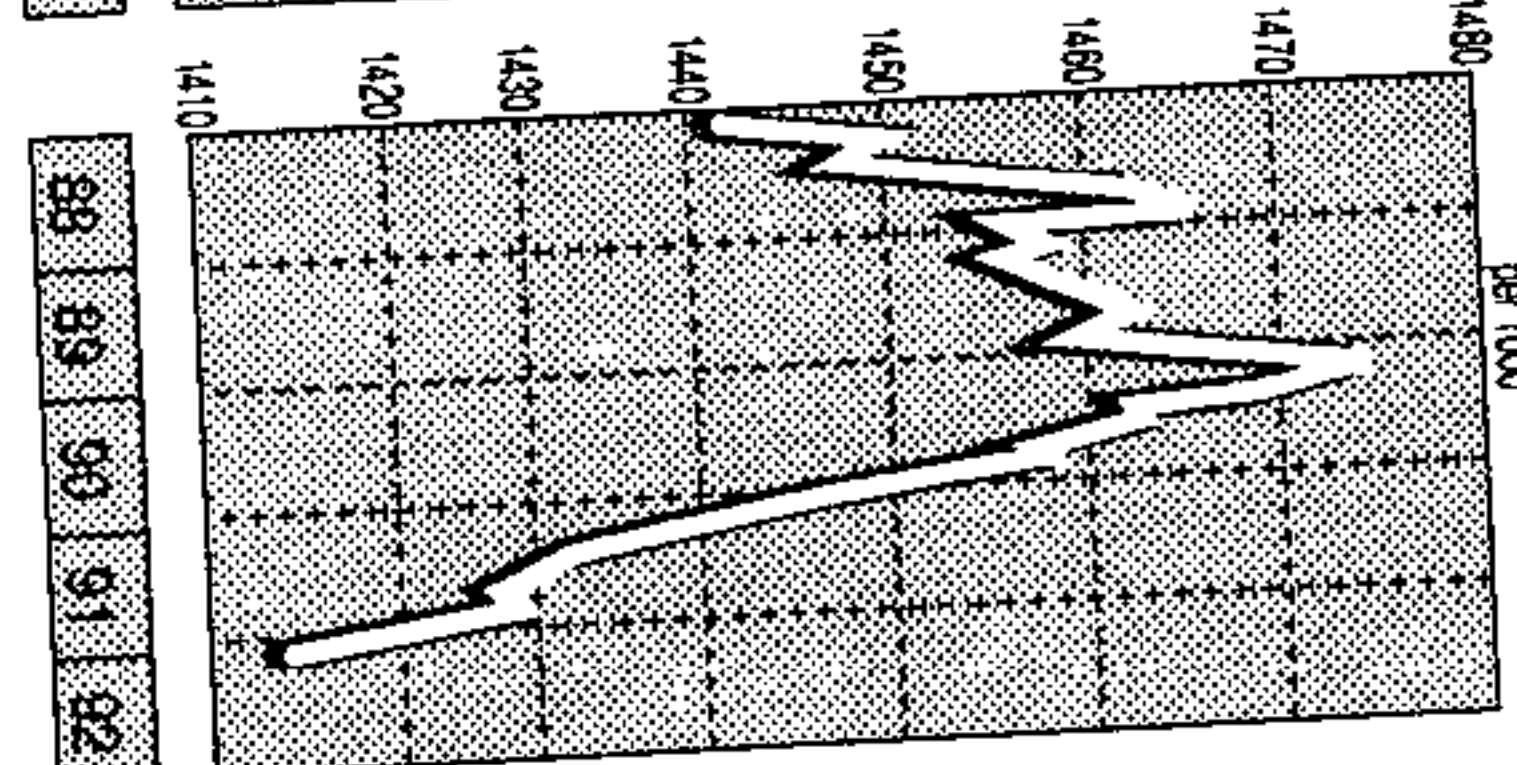
About 43 000 jobs were lost at gold mines last year. This week alone, two mines announced cut-backs which will cost another 6 100 jobs.

Retrenchments in the civil engineering industry number about 36 000 since 1989.

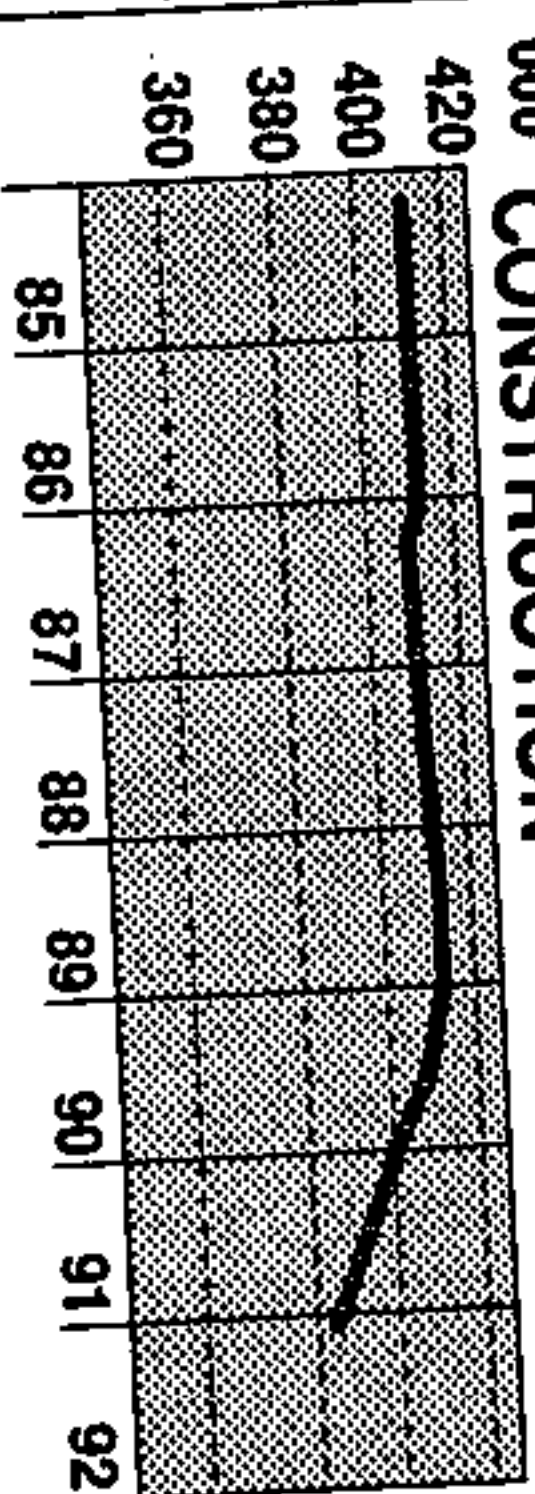
CENTRAL GOVERNMENT EMPLOYMENT



TOTAL MANUFACTURING per 1000

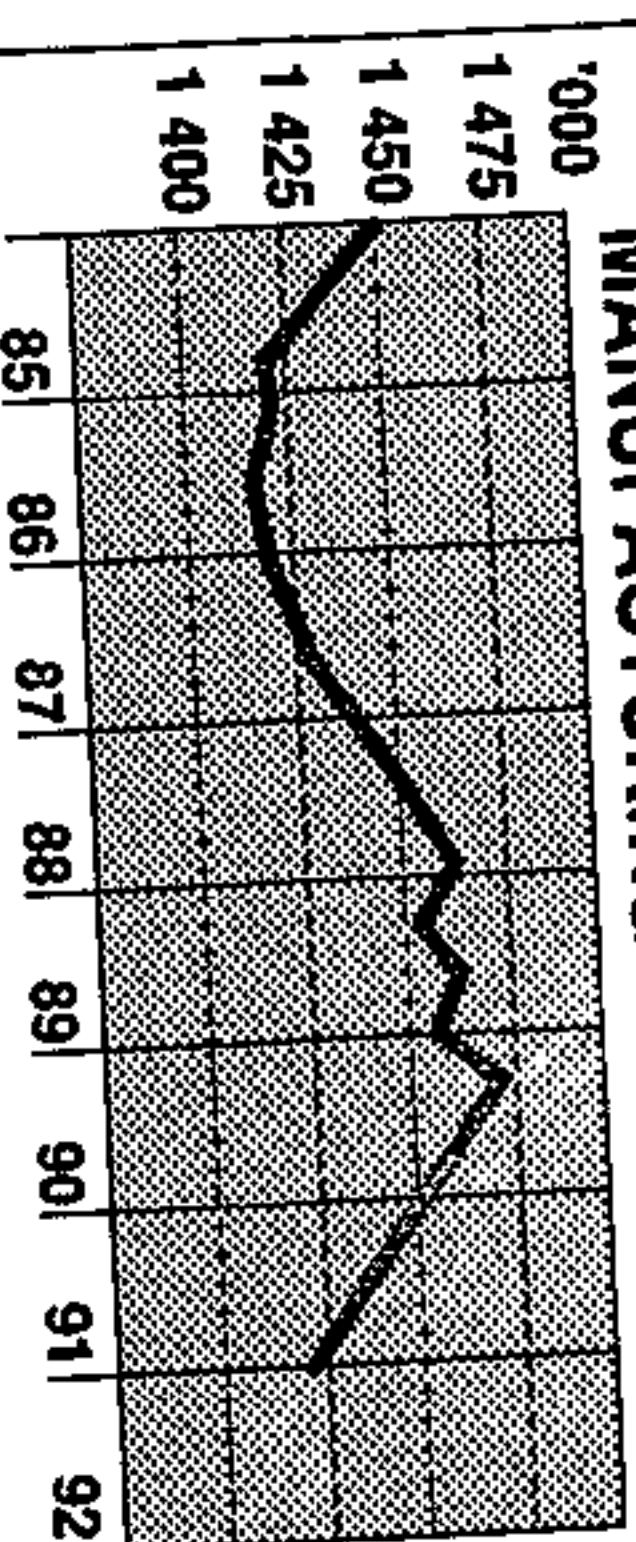


CONSTRUCTION



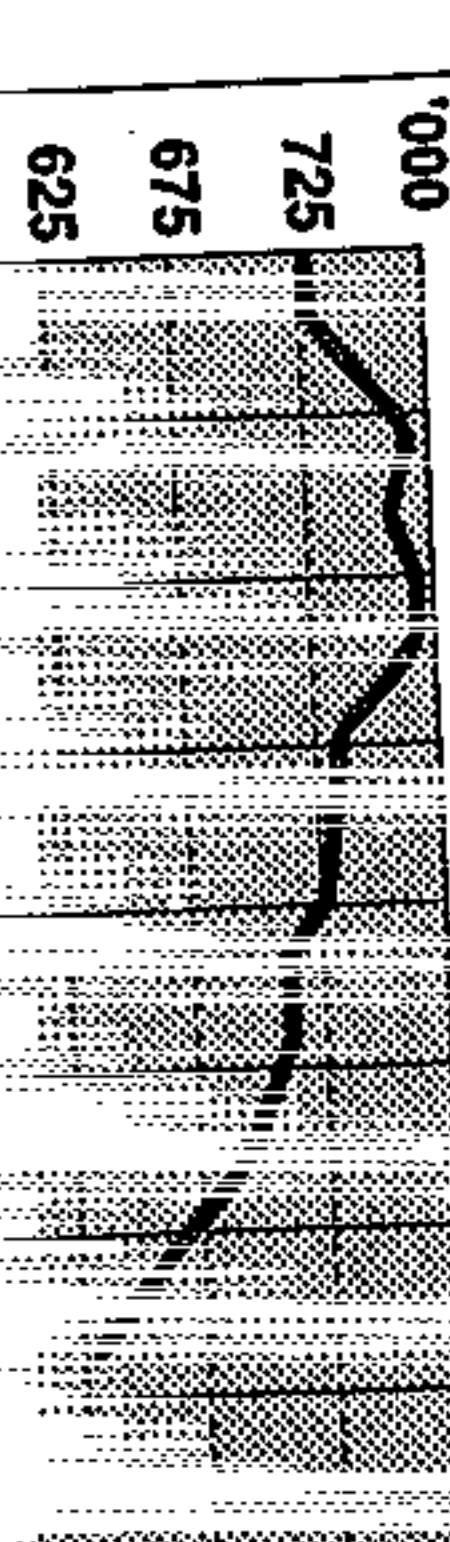
Source: Standard Bank

MANUFACTURING



Source: Standard Bank


MINING



Source: Standard Bank

2,1-million without work in South Africa

w/mail 11/12-17/12/92

By REG RUMNEY (335) 
ONE in five of the "economically active population" of South Africa considers themselves unemployed, according to the latest census.

This compares with estimates of around 40 percent unemployment — though this higher figure applies to the whole country, including the "independent homelands", where unemployment is known to be high.

The figures are contained in the first two reports in a series of 26 final reports by the Central Statistical Services (CSS) on the 1991 Population Census, which is confined to the "Republic of South Africa" as shaped by apartheid.

The unemployment figures, according to the census' definition, are: whites — four percent; coloureds — 16,9 percent; Asians — 12,7 percent; and blacks — 23,3 percent. "The numbers in the reports indicate that approximately 95 000 whites, 229 000 coloureds, 48 000 Asians and 1,746-million blacks were unemployed. In other words, in total the number of unemployed persons amounts to approximately 2,1-million," says a CSS statement on the census.

The number of people of all races who have become self-employed almost doubled in the 1980s. The CSS says the proportion of self-employed in the coloured and black population groups has more than doubled, while for whites and

Asians it has increased by 71,9 percent and 97,2 percent respectively.

The distribution of workers among the various categories of work has not changed much since 1985, with the exception of agriculture. At 1,1-million people, the number of farm workers has dropped by 11,7 percent since 1980.

The number of domestic workers within the republic has increased by 31 percent since 1980 and now amounts to about 937 000.

Eskom workers denounce job losses

By Mike Siluma

335

Three trade unions representing Eskom employees have warned of confrontation with the electricity supply utility over job losses following rationalisation.

Since 1985 Eskom had slashed its workforce by 30 percent, at a cost of some 20 000 jobs, the National Union of Mineworkers, the National Union of Metalworkers of SA and the Electricity Workers Union said.

STAN 9/6/92
The unions accused Eskom of being part of a government plan to cause a "high level of unemployment so that a democratic government should face chaos". June 29 has been declared a "national day of action".

Eskom corporate communications manager Bongani Khumalo said yesterday it was "regrettable" that the unions had raised the question of restructuring through the media while talks were going on.

Increase in unemployment on the cards

Unemployment is expected to increase over the next 12 months as the recession hits industrial production and manufacturers plan more cutbacks.

"The outlook for employment of both skilled and unskilled

workers remains bad in all regions," Sacob director-general Raymond Parsons told a news conference. He said evidence showed the recession actually deepened in the first half of the year, rather than bottoming out

as expected.

Economist Keith Lockwood said the majority of manufacturers in all areas expected to reduce the size of their labour forces in the next 12 months. — Staff Reporter.

'Council to cut 7 000 jobs'

335

By Louise Burgers
Municipal Reporter

The Johannesburg City Council plans to cut its workforce by 7 000 posts within four months, the SA Municipal Workers' Association (Samwu) and Johannesburg Municipal Employees Association (JMEA) said yesterday.

In an unprecedented move, a motion of no-confidence in the Johannesburg management committee was passed

STAR 12/6/92
at a mass meeting yesterday attended by more than 1 000 white-collar JMEA members.

Angry municipal employees, mainly middle management, clerks, traffic officers and health officials, unanimously rejected an alleged city council plan for no pay increase, a mass retrenchment programme and a down-scaling of employment benefits.

JMEA general secretary Theo Crouse said it was the first time "in living memory" that employees had passed such a motion.

Mr Crouse said the JMEA would not recommend strike action at any time. "We are still negotiating with the council," he said.

When approached for comment, city council human resources executive director Dirk Lamprecht categorically denied the council intended retrenching 7 000 workers. He said it would be bad faith to comment further as negotiations were at a sensitive stage.

Mr Ronnie said unions would meet the council on Monday for a fourth round of negotiations.

In a joint series of demands, the 12 municipal unions want salary increases of between 16,7 and 34 percent for the various grades of seniority, a 40-hour week without loss of pay, 30 days' paid leave a year, child care facilities, equal opportunities to be ensured, a halt in the subcontracting of services, and March 21 (Sharpeville Day) and June 16 (Soweto Day) as paid public holidays.

On Wednesday more than 25 000 municipal workers protested in major cities against the "unilateral restructuring" of local authorities.

MORE MONEY IN YOUR POCKET

How to make the most of retrenchment pay

STimes 14/6/92

By DES KRUGER and VICKI TAYLOR of Deloitte Pim Goldby

THIS article, based on the booklet Pay Less Tax — published jointly by Sunday Times-Business Times and Deloitte Pim Goldby — is intended to highlight some tax-saving opportunities, using the basic structure of the annual IT12 return.

AN employee or holder of an office used to be able to opt in certain circumstances for a three-year spread covering any bonus, gratuity or compensation received for termination or impending termination of services.

This concession was withdrawn from August 1, 1991, unless the taxpayer effected the option in respect of amounts received by or accrued to him before then.

Where an employee is made redundant and receives payment for the termination or impending termination of his services, the amount may be taxed at the average and not the marginal rate of tax.

This concession is available where the Receiver is satisfied that circumstances warrant it.

Your lump sum pension fund proceeds may be paid in full or in part to you or directly into another pension or retirement annuity fund when you leave your employer or on retrenchment. The first R1 800 a year will be exempt from income tax. The balance will be taxed at your average rate of tax.

Any amount transferred directly to another pension or retirement annuity fund will not attract any tax.

Similarly, proceeds from a

provident fund will not attract any tax on resignation or retrenchment if they are transferred to another provident, pension or retirement annuity fund.

Additional concessions apply on retirement. A R30 000 exemption is available for any lump sum you may receive from your employer in these circumstances.

• You are aged 55 years (50 in the case of a female) or,

• Your services are terminated because of ill-health, superannuation or other infirmity, or

• In the case of a female, in order to marry.

Any proceeds above R30 000 will be taxed at your average rate of tax.

The exempt portion of your pension or provident fund lump sum payable to you on retirement is determined in accordance with a formula (n/10 x highest average annual salary (not > R60 000) in any five years).

N equals the number of

completed years (maximum of 50) ranking for benefit in terms of the fund.

The exempt portion of the lump sum commutation, as determined by applying the formula referred to above, may not exceed the greater of:

• R120 000, or

• R4 500 x number of completed years qualifying membership of any fund plus any previously disallowed contributions.

In the case of a lump sum received from a provident fund, the exempt portion is subject to a minimum of R24 000.

The lump sum proceeds of the computed tax-free amount will be taxed at your average rate.

The exempt part of your retirement annuity fund lump sum is so much of such lump sum as does not exceed the abovementioned limits of R120 000 or R4 500 multiplied by the number of completed years' membership of the fund.

No formula is applicable to the determination of the

exempt portion as is the case with lump sums received from a pension or provident fund.

Where you receive more than one lump sum from several funds, the total of the tax free-lump sums from all such funds (pension, provident and retirement annuity) may not exceed the abovementioned limits.

It is important to note that these concessions are available to both husband and wife, significantly enhancing retirement benefits.

Your average tax rate is calculated by determining the tax payable on your taxable income (excluding the lump sum) expressed as a percentage.

It is beneficial to retire early in the tax year so as to reduce your average tax rate. This is because your monthly retirement income is normally lower than your salaried income.

Any fringe benefit or advantage derived by an employee, who, having retired from full-time service, is re-employed part time will be exempt from tax provided that certain requirements are complied with and he was re-employed before February 29, 1992.

Any retired employee who is re-employed part time after this date will be subject to income tax on the benefits.

Copies of Pay Less Tax can be obtained at a cost of R29,00 (including VAT and postage) from L Mlambo, Deloitte Pim Goldby — Pay Less Tax, Private Bag X3, Benmore, 2010.

AAD in talks
STimes 14/6/92

ASSOCIATED Automotive Distributors (AAD) chairman and chief executive Roman Szymonowicz confirms that discussions have taken place with several foreign manufacturers about a broadening of the range of products the company will be able to offer.

He denies that these discussions were aimed at a possible acquisition of the company as reported in Business Times last week. Details of these talks are due to be announced soon.

Trucks and buses produced by AAD are marketed under the AAD name, not Leyland.

COMPANY ROUND-UP

PRELIMS	Turnover (Rm)	% change	Profit before tax (Rm)	% change	Earnings a share (c)	% change	Div a share (c)	% change
GreshamA	1008,2	N/A	9,4	N/A	2,7	N/A	1,5	N/A
FDCA	808,6	N/A	8,9	N/A	18,2	N/A	3,0	N/A
Clicks*	838,8	N/A	48,2	N/A	122,6	N/A	48,0	N/A
Metcash□	4074,8	N/A	48,7	N/A	17,3	N/A	6,0	N/A
Sekers	1530,9	+5	22,9	-21	87,0	+13	20,0	-10
Saficon	1530,9	+5	22,9	-21	87,0	+13	20,0	-10
Oxx	124,5	+9	16,1	+19	53,0	+8	13,0	-7
Remgro	—	—	1173,6	+22	58,0	+22	21,5	+26
Rembeher	—	—	—	—	180,3	+8	32,6	+9
Tagcor	—	—	—	—	133,5	+9	24,14	+9
TIB	—	—	—	—	117,1	+9	21,18	+9
Columbia	45,0	-37	2,4	-67	1,0	-95	0	N/A
Hi-Score	1232,7	N/A	44,3	N/A	37,4	N/A	16,0	N/A
Score-Clicks	1232,7	N/A	44,3	N/A	20,4	N/A	9,5	N/A
Mashold	—	—	9,3	0	41,9	0	16,0	0
Acrom	36,8	-36	2,2	-67	0,4	-95	0	N/A
Score#	512,4	N/A	2,2	N/A	2,3	N/A	0,5	N/A
Saampro	13,3	+149	1,4	+504	14,94	+1245	8,25	+671
Sage	—	—	53,4	+12	118,0	+15	70,0	+16
Sageprop	—	—	8,1	-37	13,8	-27	13,6	-27
SFS	—	—	52,8	+15	51,2	+22	25,0	+20
PremierA	10638,0	N/A	392,3	N/A	264,0	N/A	88,0	N/A
Invicta (S)	N/A	—	2,5	N/A	1,8	N/A	—	—

▲ 13 months. * 14 months. □ 10 months. ● Irregular periods. # 44 weeks. (S) 9 months.

INTERIMS	Turnover (Rm)	% change	Profit before tax (Rm)	% change	Earnings a share (c)	% change	Div a share (c)	% change
Lydex	6,8	+408	6,3	N/A	—	—	—	—
SA Drugs	1135,2	+7	49,0	-24	18,3	-28	4,75	N/A
Growthpoint	9,3	+2	8,2	-5	32,5	-4	32,5	-4

◇ 12 months

The
mier

ABRIDGED PROFIT AND DIVIDEND ANNOUNCEMENT

- The Group has achieved excellent results having regard to the difficult economic and trading conditions which prevailed throughout the period under review.
- The acquisition of controlling interests in Metro Cash and Carry, Score Supermarkets and Clicks Stores, has had a major impact on Group turnover and the balance sheet.

Graduates battle for jobs in E Cape

PAT CANDIDO
The Argus Bureau

PORT ELIZABETH. — Graduates here are finding it more and more difficult to get jobs.

Many, desperate for work, are scrambling for minor positions like switchboard operators and personnel consultants say it is virtually impossible to find jobs to match the qualifications of young people and their years of study.

An advertisement for a woman with matric and basic computer knowledge drew more than 100 applications.

Most who applied were grossly overqualified, according to the personnel manager for the company.

"It was sad. Some had really good qualifications and have not

been able to find jobs," he said.

In response to an advertisement for a library assistant at Vista University, there were scores of calls. A spokesman for the university said most did not even ask what the salary was.

An employment consultant said there were many graduates with B Sc and B Com degrees who could not find jobs and were accepting anything that came along.

She said it was virtually impossible to find a job for anyone with a BA degree.

Another consultant said that unless students specialised in some way it was impossible to find them jobs.

Another consultant said the situation was bleak throughout the country and employers were re-

luctant to take on young people because they lacked experience.

● Unemployed white men are being bussed daily from Port Elizabeth and Uitenahge to pick fruit at the strike-torn Sundays River Citrus Co-operative in Addo and Kirkwood where black workers are demanding a minimum wage of R138 a week through the Food and General Workers Union.

At present, they earn R75,44 a week.

The co-operative is spending R3 000 a day on six buses to transport the white workers.

Buses also have been hired to transport 400 black women from Ciskei and Queenstown.

Union secretary-general Mr Elliott Nduzulwana said scab labour was being paid R25 a day.

Master plan to cut unemployment

STAR 16/6/92

335

12/5/92

WITH unemployment at crisis levels, the Small Business Development Corporation has de-

vised a package of proposals that it is convinced could boost the number of new jobs flowing into the labour market by no fewer than 2,5 million over the next five years.

The package envisages a two-pronged assault on the unemployment problem by the creation of more than 50 000 new small and medium business ventures by the late 1990s.

To enable a cautious initial probe of the idea, the SBDC is asking the Government and the private sector to commit no more than a relatively modest R250 million to start a pilot programme to put the proposals to the acid test — a preliminary to a full-scale launch.

What excites the SBDC are the chances of bringing more and more potential black entrepreneurs into the economic

mainstream, with an obvious significant multiplier on the creation of new employment opportunities.

At the core of the package, explains SBDC senior general manager Jo Schwenke, is the provision of a pool of venture capital funds to be made available to small businesses that show promise but are strapped for cash needed for expansion — and to finance the start of thousands of brand-new businesses by budding entrepreneurs.

Even the mention of venture capital could cause many potential investors to make a fast U-turn away from the proposals — especially in view of the long list of casualties that followed the initial launch of experiments with a venture capital market on the Johannesburg Stock Exchange in the 1980s.

Mr Schwenke knows he faces an uphill battle in bringing them round to take a closer look. But he feels that that sad

experience in fact yielded lessons in pitfalls that can be averted in new expeditions.

"Post-mortem analyses of the reasons behind many of the JSE failures of the 1980s have provided vital clues on how to avert a similar crop of errors," he says.

Also, the tremendous economic potential of new companies formed with venture capital support has been proved in a tidal wave of successes in both the United States and Britain in recent years.

"In South Africa, the mobilisation of venture capital has become vital in view of the necessity to increase the economic tempo. A new South Africa that is expected to grow from economic stagnation could be doomed from the start.

"The creation of more business enterprises, with the promise of more jobs for everyone, is crucial. So, too, is evidence that a new generation of business

The Small Business Development Corporation has drawn up a plan it estimates could create no fewer than 2,5 million new job opportunities in the next five years — but it needs the co-operation of the Government and high finance, reports MICHAEL CHESTER.

entrepreneurs can be given the chance to flex their muscles."

Mr Schwenke sees the new proposed strategies running on two tiers — one given a kick-start by financial institutions such as insurance companies and pension funds, the second set in motion by the State.

In South Africa, he says, the cash-flows of institutions (long-term insurers and pension funds) run at about R40 billion a year. "Think of the dramatic impact if only one percent — say R400 million a year — were channelled into properly constituted venture capital funds or into equity investment funds." That alone, he points out,

would inject R2 billion or more into venture funds over the next five years. The result: 4 000 or more new medium-size businesses, which, if properly vetted, could show excellent profit and export potential and provide no fewer than 500 000 new job opportunities.

In the next tier the State would pump about R2 billion a year into development venture capital funds — R10 billion in five years that would fund the launch of a still bigger total of 50 000 smaller businesses, which between them could create between 500 000 and 2 million new jobs.

The difference between the

objectives of each tier would revolve around the size of returns expected on investments.

While the capital profit from institution funds could be expected to reach between 300 and 500 percent after seven years, capital profits from State investments, with a different set of socio-economic aims, should be between 100 and 200 percent.

"Of course, we don't expect either the Government or the big financial institutions to act as charities in the exercise. Naturally both will need assurances of a sound expectation of reasonable returns on their investments.

"True, venture capital can be a high-risk business. And there are bound to be failures. But we are convinced we can ensure that the high number of successes will mean that the initial investments will be recouped in a few years — with good returns to follow in the longer

term — if allocations are properly vetted," he says.

Mr Schwenke believes the odds on success have been proved by the experience of the SBDC in providing the finance for the launch of thousands of new business ventures — and hundreds of thousands of new job opportunities — since it started operations 10 years ago.

The corporation has refined a system to select potential winners and losers, with support services to monitor progress, he says. It is more than willing to put its experience to use and select management teams to supervise the allocation of new venture capital funds.

In a deeper pledge of confidence, it is also willing to consider acting as underwriter behind any share issues of companies seeking a listing on the venture capital market of the Johannesburg Stock Exchange, Mr Schwenke says. □



Faces an uphill challenge . . . SBDC senior general manager Jo Schwenke.

heads.

A woman who did not

That night she managed to escape. She

is issued with a blanket, a bar of soap, clothing

nator Sally McKibbin, who has worked among

soap," an old woman said.

ANC denies having armaments in Angola

Star Africa Service

The ANC has denied reports that it still has

Weekend reports said efforts by the ANC to move the more than 27 000 tons of weaponry to Namibia were abandoned last week's

al Freedom Foundation. ANC spokesman Carl Niehaus yesterday said the reports were totally untrue. "The ANC abides by the international agreements reached with the independence of Na-

16/6/92
mibia," he said. ANC arms and personnel had been moved from Angola to countries "further north" after the signing of international agreements paving the way for the indepen-

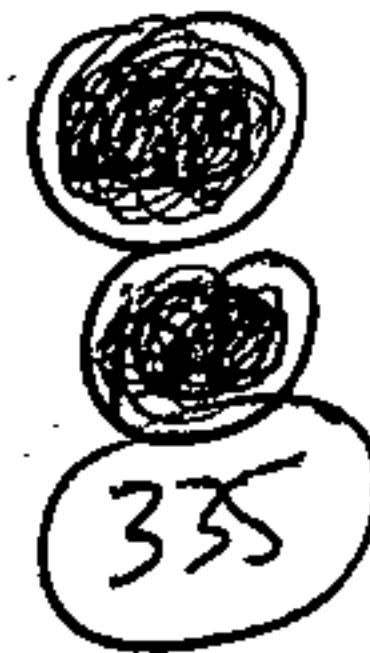
dence of Namibia. According to the reports, an inventory of weapons was among documents seized when ANC's offices in P. Liberdade were sacked earlier.



200 Napac workers on strike

Sowetan

18/6/92



TWO hundred Natal Performing Arts Council employees are on strike following a breakdown in negotiations over the reinstatement of retrenched workers.

The South African Commercial Catering and Allied Workers' Union has demanded that employees who were retrenched a few months ago because of Napac's financial difficulties be reinstated. Napac has replied by saying the demands "are not achievable".

Napac general director, Mr Robert Cross, said in a statement on Monday that the council believed the retrenchment dispute was a "dispute of right" and that it should be subjected to the adjudication of the Industrial Court.

Napac had invited Saccawu to agree to the dispute being referred to the IC for final determination but the union had

refused, Cross claimed.

"Saccawu insisted that this was an 'interest dispute' and that it would take industrial and strike action against Napac.

"Industrial action only harms our collective bargaining relationship, the future viability of Napac and will place more jobs at risk," he warned.

According to Cross, Napac recently obtained additional State funding which was to be used for substantial staff salary adjustments.

"However, Napac is unable to enter into wage negotiations with Saccawu under the present circumstances."

It was agreed no performances would be staged on Soweto Day following discussions between Napac and Saccawu. Cross hoped no other performances would be affected by the strike. -Sapa.

Fears of retrenchments to balance the books

City's R80-m

By Louise Burgers
Municipal Reporter

STAR 18/6/92 335
The Johannesburg City Council is expected to budget for a large deficit of close to R80 million in the new municipal financial year, in spite of further rates increases and little relief for the public, say councillors.

Councillors and union officials also charge that the council has boosted its top management structure from 190 to more than 300 directors, despite a year-long restructuring exercise to trim its bureaucracy. It has also increased their salary bill from R18,2 million to R32,3 million a year.

And this is after 29 senior officials were retrenched — at a further cost of at least R16 million in redundancy packages.

The council ended the 1990/91 financial year with a surplus of R39 million.

Fears are now being expressed by opposition councillors, workers and union officials that the management committee will try to "balance the books" with a large retrenchment programme.

This has been denied by Johannesburg management committee chairman Ian Davidson, who claimed yesterday he had been quoted "out of context" by unions which stated that the council intended abolishing 7 000 posts this year.

He said the council had suggested to the unions that if agreement could be reached on alternatives to retrenchment, the council would consider placing a six-month moratorium on staff reductions. Retrenchment would be a last resort.

Independent Killarney councillor Sam Moss said he was concerned that instead of cutting expenditure, the council would try to reduce the deficit by retrenchments.

Mr Davidson will table the record budget — expected to top R3 billion — next Thursday amid protests planned by unhappy municipal workers.

Mr Davidson said current union demands would add between R142 million and R240 million to the council's costs — "clearly a figure the council cannot justify to the ratepayers".

Orange Grove councillor Clive Gilbert said assessment rates would increase by more than 12 percent this year. It meant that rates had increased between 50 and 150 percent in the last year.

Johannesburg Municipal Employees Association general secretary Theo Crouse confirmed that the figures obtained by The Star were correct.

Mr Davidson explained in a statement that the council was trying to meet increasing needs for municipal services at a time when economic circumstances required the containment of costs and better use of human and other resources.

He said that if a "proper" comparison were done of the old and new structures, there would be "a reduction in the overall number of posts and total salary bill".

Mr Moss, who has verified the documents containing the figures, said the situation was the result of "pure mismanagement".

deficit

Eskom sets stage for major staff cuts

B/day 18/6/92
ESKOM has reduced the voluntary retirement age of its employees to 45 years from 50 years ahead of what unions believe are imminent major payroll cuts.

The offer is generally available to employees with at least ten years' service.

National Union of Metalworkers of SA national organiser Tony Kgobe said it had been estimated Eskom planned to cut employee numbers to 33 000 over the next five years. At the end of 1991 the electricity utility's payroll totalled just fewer than 47 000, down from 65 000 in 1987.

Eskom spokesman Bongani Khumalo acknowledged yesterday that Eskom had surplus staff on its payroll, but added that redundant employees who did not volunteer for early retrenchment would not be made to go. Final numbers had not yet been decided on and retrenchment proposals would be put to the trade unions once this had happened.

Another spokesman said talks with unions were scheduled for July.

Last week messages were sent to the computer screens of the utility's generation division warning of possible redundan-

TIM MARSLAND

cies and assuring workers that Eskom would act compassionately and provide all possible assistance to those under threat.

The 10-year service period could include bonus service and any potential service that the employer wished to award the worker. Sources at Eskom said staff who opted for voluntary retrenchment would probably get about six months' pay.

Planning documents indicated that Eskom itself would bear two-thirds of the early retirement costs to the pension fund and that the business units from which staff were cut the remaining third.

A fund spokesman said this had been normal practice at Eskom since 1986.

According to the documents, restructuring in the generation division would inevitably result in a number of surplus staff being identified.

"The fear of becoming surplus brings uncertainty, insecurity and feelings of failure and loss of personal value. However, management appeals to you... to continue

□ To Page 2

Eskom with your normal day-to-day tasks.

Reacting yesterday, Khumalo said Eskom was restructuring itself to keep pace with the changing circumstances and environment in order "to achieve its strategic priorities of business efficiency, electrification of households that can afford it, and harmonisation with the new SA".

The restructuring was at present the subject of discussions with trade unions where it affected employees.

Available alternatives were discussed one-on-one with the employee to be retrenched and his union representative.

"If the employee does not opt to agree to any of the alternatives, there is no question

of him being forcibly retrenched at this stage."

Labour relations experts said one-to-one negotiations ran contrary to agreements reached in the Industrial Court regarding collective bargaining.

Kgobe said Numsa had told Eskom to discontinue one-to-one negotiations and regarded it as "extremely serious" that they were continuing with this programme.

Eskom told the union at a meeting last week it did not intend retrenching workers.

Numsa, the National Union of Mineworkers and the Electricity Workers Union would discuss what action to take at a meeting of their National Shop Stewards Council this weekend.

□ From Page 1

Local manufacturers to axe skilled staff

CT 18/6/92



By AUDREY D'ANGELO
Business Editor

MANUFACTURERS in the Western Cape expect to produce less in the next 10 months, and to cut back on skilled staff, according to the SA Chamber of Business (Sacob) manufacturing survey.

The Cape Chamber of Industries is currently carrying out its own survey to find out in more detail how the recession is affecting local manufacturers and how they see the future.

Sacob economist Keith Lockwood says his May survey covering the whole country indicated that most regions were "significantly less optimistic" than in April.

"Apart from a seasonal rise in February, activity levels in the manufacturing sector have been falling steadily since the start of the year with each successive month having lower orders than the preceding one.

"From anecdotal evidence there are clearly fewer and fewer sectors escaping the deteriorating economic position.

"Those sectors catering for the domestic market are continuing to suffer from the combined effects of declining real incomes, rising unemployment and low demand for credit.

"Exporters appear, in many cases, to have come to the end of their honeymoon period following the lifting of trade sanctions and are increasingly being confronted by a world economy that is suffering from a similar malaise to the domestic economy.

"In addition, high inflation is continuing to erode the competitiveness of exported manufactures.

"While there is still scope for new, non-traditional export markets to be developed it will probably take some time before their potential is realised and before they start to have a significant impact on export volumes."

Lockwood's report says that in the Western Cape 53% of respondents expected sales volumes to increase in the coming year. Despite this, "the majority of respondents in the Transvaal, Durban and Western Cape regions now expect to produce

less in the period to April 1993 than they did in the past 12 months.

"Only the Maritzburg and East London areas expect to produce more. Apart from the Maritzburg area all regions anticipate further cutbacks in stock levels in the coming year."

Lockwood says that "in keeping with the more depressed sales outlook a majority of respondents expect to reduce the extent to which production capacity is used in the coming 12 months.

"The outlook for employment of both skilled and unskilled workers in the next 12 months remains bad in all regions."

The vast majority of manufacturers expected to reduce the number of people they employed in the coming year. In the Western Cape and the Transvaal 61% of respondents expected to reduce the number of skilled employees.

"While it is likely that unemployed skilled people will quickly be re-absorbed into the formal economy once conditions start to improve, the outlook for unskilled workers is less favourable in the short to medium term."

Workers council at odds

By Louise Burgers
Municipal Reporter

Representatives from the 12 Johannesburg municipal unions meet today to plan a co-ordinated action campaign, which could include industrial action, to try to get the city council to make workers a meaningful offer.

Johannesburg Combined Municipal Employees' Union general secretary Hassen Lorgat said yesterday that planned protest action could include "disciplined" industrial action, marches and petitions.

The combined union asked for salary increases of between 16 and 34 percent. The city council replied that there would be no increases and conditions of service would be scaled down. There was a reference to likely mass retrenchments.

In the continuing storm around the council's mass retrenchment programme and alleged over-expenditure, Mr Lorgat said employees and ratepayers were headed for a confrontation with the council.

He said unions had been in touch with some ratepayers' groups and intended to involve more associations to mount an active campaign to curb waste in the city.

"The council wants to discuss ways of how to save money, before they discuss the wage demands and this is unacceptable on principle.

"We know there is wastage, we can help the council curb wastage if they will let us."

Dispute linked to protests

STAR 19/6/92 100
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The Paper, Printing, Wood and Allied Workers' Union is to link its fight against retrenchments at Sappi to the proposed mass action next month, a union spokesman said in Johannesburg yesterday.

Speaking after a meeting between union leadership and Sappi management, PPWAWU organiser Rob Rees said the union was in dispute with the giant paper producer over two issues — retrenchments and economic restructuring.

Sappi had recently retrenched more than 2 000 forestry workers and replaced them with subcontractors who earned low wages with no benefits or protection under labour legislation.

"PPWAWU has now decided to intensify this campaign in its own ranks and inside Cosatu. These worker actions are going to fuel the ANC's mass action campaign, which PPWAWU supports," Mr Rees said.

The union would link up with other Cosatu unions in a broad national campaign.

Sappi comment was still awaited at the time of going to press. — Staff Reporter.

Union to oppose retrenchments

THE Paper, Printing and Allied Workers' Union (Ppawu) would embark on mass action to stop retrenchments and the unilateral restructuring of the industry, the union said yesterday.

Ppawu met a Sappi delegation yesterday for talks that Ppawu national organiser Rob Rees described as "unsatisfactory". He said Sappi did not respond to Ppawu's demand for a moratorium on retrenchments and a national industrial bargaining forum. Sappi would give its response within a month.

Rees said 2 000 workers had been laid off and 6 000 Ppawu members faced retrenchment and the loss of their homes while Sappi embarked on overseas investment programmes. They were being replaced by workers who earned R9 a day, seven days a week without lunch breaks.

Ppawu intends holding marches at workplaces on June 29 and this action will be linked to the mass action campaign organised by the ANC and Cosatu.

A Ppawu statement said: "A number of the actions are now beginning to link up with similar struggles in other Cosatu affiliates. Worker anger may push this into a stayaway action."

335 PATRICK BULGER

"The Cosatu executive committee has resolved to pull struggles against retrenchment together and to provide maximum solidarity support for these actions...."

Rees said the union was not opposed to industry attempts to increase productivity. However, it opposed the unilateral manner in which the exercise was being conducted.

Reuter reports a Sappi spokesman confirmed the company had undertaken to reply to Ppawu demands within 30 days.

□ Sapa reports that tensions escalated in the clothing industry yesterday as unionists held marches in Cape Town and Durban to back wage demands.

Despite warnings from employers that their jobs were on the line, thousands of SA Clothing and Textile Workers' Union members marched in two cities.

Employers remained adamant that the march was irresponsible and that disciplinary action would be taken against workers who deserted their workplaces.

The union has called on employers not to abuse their power and to allow workers to take part on the basis of a no work, no pay, no penalty principle.

W/MAIL 19/6-25/6/92 **LABOUR BRIEFS**

Retail workers' pickets

■ SOUTH African Commercial Catering and Allied Workers' Union members have held lunchtime pickets nationally to highlight wage and other demands in the past fortnight.

On Thursday, a crucial meeting between employers and the union attempted to reach some agreement on the union demand for a centralised bargaining forum.

And in a related development, Saccawu will take a dispute with the beleaguered Checkers-Shoprite group to a conciliation board on June 24. The possibility of an agreement with the chain remains distant because the company has suggested a 10 percent wage cut.

Union relations with Checkers have

been strained in the past year because of Checkers' intentions to close down a number of stores. The dispute has been taken to court on several occasions.

W/MAIL 19/6-25/6/92 **More pay for guards**

■ THE Transport and General Workers' Union this week clinched a healthy wage settlement with Fidelity Guards.

Traditional guards will get 20,3 percent and 21,3 percent increases, while key points guards will get 12,5 percent increases.

The agreement also provides transport allowances for guards, time off for shop stewards to attend to union business and improved training and promotion policies.

NEWS IN BRIEF

Threat to Barlows

THE ANC has called for a consumer boycott of all Barlow Rand products until 600 Barlow Kew workers — dismissed in 1989 — are reinstated. ANC NEC member Elias Motsoaledi told a meeting of the dismissed workers yesterday that if a consumer boycott did not get Barlows to reinstate them "we will have to hit them harder".

Numsa condemned yesterday's arrest of 31 workers when they tried to march on Barlows' head office. The workers were arrested for contempt of court following Wednesday's urgent interdict by Barlow Appliance against Numsa to prevent the union associating itself with the march.

Grey eases those retrenchment blues

STAR 10/6/92

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GREY Advertising, forced to retrench 42 staff members in October last year after the move in-house of the OK Bazaars advertising account, made a concerted effort to find new jobs for displaced staff.

The agency announced this week it had placed 80 percent of the retrenched employees in new jobs — all but three of them

during the period when they were still receiving severance pay.

Chief executive Ian Shepherd said the placement industry considered this performance excellent, considering the severity of the current recession.

"We wanted to change the industry perception that Grey is not a caring employer," said Shepherd. "We

also wanted to keep morale high among remaining staff."

The retrenchment package the agency gave its staff was, it says, generous — particularly in the case of low-income-earning staff.

A senior agency staff member undertook the re-employment drive and established an in-house placement unit. It took about 1 000 working hours to place the staff. Incentives were offered to leading placement agencies to "rush" the search for

jobs before employees' severance pay ran out.

Grey even transported the employees to job interviews. "We felt it was vital that our retrenched staff were able to leave our agency with their self-respect intact," said Mr Shepherd.

Producers defend board

GERALD REILLY

PRETORIA — Milk producers in the northern Transvaal have come to the defence of the Dairy Board in the row over levies paid by distributors.

Northern Milk Producers' Association chairman Willie Fourie said losses through milk dumping could have been far greater without the intervention of the Dairy Board.

In a weekend statement, he said it was untrue that millions of litres of milk had been thrown away. Milk had been dumped in isolated cases because of its perishability.

Milk had been dumped even before the Dairy Board was set up.

Deregulation in the industry also did not help to alleviate the problem. It was the orderly dispensation created by the board that had minimised losses.

Fourie said the industry was being damaged by the current dispute. Non-payment of levies could mean an interruption in the industry's services.

Lift for Otis Elevators

DUMA GOUBULE

OTIS Elevators has reported a 31% increase in earnings for the half year to end-May, the first set of results to include those of newly acquired lift company Melcorp.

At the weekend the company said earnings had increased to 24,4c (18,6c) on additional shares in issue. The interim dividend was increased by a third to 12c a share from 9c.

Turnover figures are not given, but operating profit was 61% up at R11m (R6,9m). After receiving interest in the previous year, Otis paid R476 000 in inter-

est at the interim stage. This resulted in a 50% rise in pre-tax income to R10,6m from R7m. Attributable income was 58% higher at R5m.

Melcorp, the local agent for Mitsubishi lifts, was bought from a UK subsidiary of Otis' US parent United Technologies for R16,3m. A R7m rights offer helped to finance the deal.

The company said it expected to maintain the performance to the year end, despite the difficult economic conditions.

Crisis for Truloc employees

DUMA GOUBULE

DOZENS of employees of Truloc SA, the SA associate of London Stock Exchange-listed freight company Lep group, have been left to foot huge medical bills incurred over the two months prior to the company's liquidation last month.

Former Truloc chairman Noel Marsh said the company's 250 employees, who were retrenched last month, were never told that payments to the company's

non-contributory medical fund had been discontinued at the end of February. One former employee had reported the matter to the police, he said.

Marsh, who was suspended when Lep appointed a new management team to run its SA associate two months ago, said Truloc's problems had started when Lep ran out of money last year as a result of property speculation in the US.

Lep, the largest freight company in the UK, then said it could no longer advance additional cash facilities to Truloc.

After Lep unsuccessfully tried to find a buyer for the company, Truloc was liquidated.

TODAY'S WEATHER

PWV and eastern Highveld: mild.
Western, southwestern Transvaal: mild to warm.
Northwestern, northern and central Transvaal: warm to hot.
Eastern Escarpment, Lowveld and Venda: warm to hot.
Free State: mild.
Cape Province north of Orange River: cool to

Workers may be rehired

Star 23/6/92 (335)
Hundreds of sacked clothing workers who took part in a 15 000-strong mass march in Cape Town last week to highlight wage demands, may be reinstated. SA Clothing and Textile Workers' Union media officer Shahiekd Teladia said the union was confident all the workers would get their jobs back.

Legal brains seek more jobs to aid own unemployed

LINDA GALLOWAY, Staff Reporter **ARG 24/6/92**

ATTORNEYS are battling to find work and structural changes to the profession to help the legal jobless.

Many smaller law firms have stopped training articled clerks — a minimum requirement to practise as an attorney — and larger firms have cut down on the number of trainees they will employ.

The deputy director of the Law Society of the Cape of Good Hope, Mr Ian Murray, said there was concern in the profession that many recently qualified attorneys had not been able to find work.

"I know a number of them have set up their own practices because they weren't able to get jobs," he said.

"Most big law firms take a quota of articled clerks every year and with the number of applications, they can pick and choose.

"Small firms can't afford it any more. Times are tough."

Mr Murray said it was impossible to predict how many law students would want to become attorneys until they started applying for positions.

"Many go into commerce or industry, become advocates or join the justice department."

There were discussions taking place in the profession on the restructuring of the clerkship, taking into account the opening of a full-time practical training course in Cape Town next year, and the possibility that legal aid clinics would be allowed to employ clerks.

"We are discussing making the clerkship shorter if students attend the practical training course; and more jobs will become available if clinics can employ clerks," he said.

Unemployment situation worsening, says BIER

STAF 25/6/92

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CAPE TOWN — The employment situation is deteriorating with regular announcements of more retrenchments, says the Bureau for Economic Research (BER) at Stellenbosch University.

"Threats of mass action, stayaways and go-slow strikes will also not contribute towards stability in an already troubled and politicised labour force," it said today in a trade and commerce

survey.

Wage negotiations between labour unions and employers were not characterised by a large degree of consensus, which could lead to further unemployment.

This would dampen growth in the total wage bill of the country.

Personal taxes would remain high and, coupled with an expected high inflation rate, would keep disposable income under

pressure until the third quarter, when a drop in inflation was expected, it said.

Consumer spending would not be particularly buoyant in 1992, "and we forecast marginal growth in real terms".

The bureau said that while white consumer confidence had edged up marginally, it remained "relatively pessimistic".

Regarding the general economic situation in

South Africa over the short-term, about 45 per cent of white consumers expected an improvement in the economy in the next 12 months, while 53 percent foresaw a deterioration.

Consumers in the Cape Province were the most optimistic, followed by the Transvaal and Natal, with the Free State the weakest.

The confidence of

black consumers had increased, with about 65 percent expecting an improvement in the general economic position in the next 12 months.

"A possible explanation for this relative optimistic attitude can be linked to the publicity given to the process of political change, particularly within the Codesa framework.

"It can also point to a

much higher political awareness among blacks and the degree of expectation cultivated by the political developments."

In what could be considered as an indication of better things to come, wholesalers and retailers reported bigger sales volumes than a year ago.

However, motor dealers continued to experience poorer sales volumes, compared with

last year, and expectations for the second quarter were not much better.

"It now appears more likely that the upswing may only become visible well into the second half of the year. Retailers and wholesalers appear to be more optimistic of an improvement in business conditions in the third and fourth quarter." — Sapa.

Drought batters 70 000 jobs

By Sven Lünsche

Star

26/6/92

A decline of 14 percent in

The Bank calculates that in-

the current account.

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The devastating drought will severely dent economic growth this year and force 70 000 workers out of jobs in the agricultural and related sectors.

Using econometric models, the Reserve Bank estimates in its latest Quarterly Bulletin that agricultural production could decline by 14 percent this year.

However, the Bank warns that the damage caused by the drought will not only be limited to the agricultural sector but extend to secondary food-processing industries and suppliers to the sector.

agricultural production will lower the real GDP by about 1,8 percentage points, or roughly R4,55 billion, which represents a direct impact of one percentage point and an indirect impact of 0,8 percentage point."

Turning to the impact on employment, the Reserve Bank says that up to 50 000 jobs could be lost in the agricultural sector this year and up to 20 000 jobs in related sectors.

"Taking the farm labourers' dependants into account, up to 250 000 people will be forced to find another livelihood unless special assistance is made available to farmers."

The drought will also have a adverse effect on the balance of payments as South Africa will be forced to import agricultural goods which it previously exported.

The Bank estimates that food valued at up to R500 million would have to be imported while the direct and indirect losses in export revenue could amount to R700 million — a net negative effect of R1,2 billion on

● Mozambique is going through its worst drought in a century, the deputy head of the International Committee of the Red Cross relief division, Markus Dolder, said in Geneva yesterday.

Mr Dolder, returning from Maputo, said: "We were shocked by some parts of the country where the population is subsisting on berries and roots because the entire food crop was lost."

The Star Africa News Service reports that the drought is forcing peasant families to abandon their homes in the Massingao district. The exodus could swell the numbers of refugees in cities.

Retail bosses just window shopping

W/MAIL 26/6-2/7/92

WHAT should have been a watershed meeting between major retail employers and the South African Commercial, Catering and Allied Workers' Union (Saccawu) last week ended a damp squib.

The union sought, but did not find, concrete action on its demands for a moratorium on retrenchments and a centralised bargaining forum. Employers, on the other hand, forced to the meeting through concerted industrial action, maintained a stony silence and made no commitments.

In this atmosphere, strike action seems almost inevitable as workers also attempt to wring a moratorium on

retrenchments from reluctant employers in sectors hard hit by recession and falling profits.

"Employers played stupid," says Saccawu representative Rosalind Nyman of the meeting, adding that employers "were forced to come through mass action."

"The large retailers just kept quiet, the smaller companies were more vocal," said Nyman. Employers only asked for a document outlining Saccawu's plans. They have committed to responding to Saccawu's demands after receiving the document on July 27.

And in a related development, Saccawu has come out strongly

against OK Bazaars' proposal of a wage freeze between April and August. On Friday, members picketed branches and have also threatened strikes on the scale of the 1983, 1987 and 1990 strikes which rocked the country's biggest retail outlet.

The union is also likely to take a strong line against the newly merged Checkers/Shoprite chain where management has proposed a 10 percent wage cut for Checkers workers in order to standardise wages between the two chains. The company also proposed that wage differentials will be standardised over seven years — the union believes it can be done in two years.

Hard times ahead for the jobless

By JOSHUA RABOROKO

THE employment situation in South Africa is deteriorating as more and more people are being retrenched, according to the latest report of the Stellenbosch University's Bureau For Economic Research.

The report, which focuses mainly on the wholesale, retail and motor trade sector, says the on-going threats of mass action, stayaways and go-slow strikes will also not contribute towards stability in the already troubled and politicised labour force.

It adds that wage negotiations between labour unions and employers are also not characterised by a large degree of consensus, which may even lead to further unemployment.

In its survey, the South African Chamber of Business says official figures indicate that employment within the formal private sector is currently contracting at a rate of about four percent a year.

According to the survey, more than 250 000 jobs have been lost during the current recession, and indications arising are that the number will continue to in-

crease in the coming 12 months.

In addition, the survey says, the widespread drought has brought added misery and hardship to millions of people, and has served to further erode prospects of growth.

The Stellenbosch report says unemployment will dampen growth in the total wage bill of the country while personal taxes will remain high.

"Coupled with an expected high inflation rate, this will keep dispensable income under pressure until the third quarter, when a drop in the inflation is expected," it says.

Consumer spending will therefore not be particularly buoyant during 1992.

"We forecast marginal growth in real terms," the report says, adding: "Per capita consumer spending is forecast to continue declining during 1992."

White consumer confidence edged up marginally, but remains relatively pessimistic.

The report notes a strong improvement in black consumer confidence.

The possible explanation to black confidence can be linked to the high publicity given to the process of political change, particularly within Codesa.

In what could be considered an indication of better things to come, wholesale and retailers have reported bigger sales volumes than a year ago.

Motor dealers continue to experience poor sales volumes than a year ago - symptomatic of an economy still in recession.

Expectations for the second quarter are not much better and a net majority of all dealers anticipate lower sales volumes.

The report says: "It now appears more likely that the upswing in the economy may only become visible well into the second half of the year."

"Retailers and wholesalers appear to be more optimistic of an improvement in business conditions in the third and fourth quarter."

Factors which may continue to dampen the activities of both dealers and consumers, include the worsening drought, excessive Government spending, high interest rates, a high level of crime and violence.

Sowetan 29/6/92

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D-Day for strikers as hospitals battle

STAR 29/6/92

Staff Reporter

Thousands of striking Transvaal hospital workers face dismissal this week after most of them ignored last week's ultimatum to return to work.

The Transvaal Provincial Administration will decide from today on what disciplinary action to take against the defiant strikers.

Last weekend, the TPA posted an open letter to all strikers, urging them to return to work by Thursday.

Investigations into each case to determine appropriate disciplinary steps, including the possibility of dismissal, began on Friday.

The strike follows a demand by the National Education, Health and Allied Workers' Union (Nehawu) for a minimum wage of R724 a month, a 15 percent salary increase, permanent status for all part-time employees and the establishment of an interim dispute-settling

mechanism.

The union met other public-sector unions at the weekend to try to persuade them to strike in support of Nehawu's demands.

The results of the meeting were not known at the time of going to press.

Baragwanath Hospital reported yesterday that more than 350 volunteers had helped to improve the situation at the hospital.

Chief superintendent Dr Chris van der Heever said the volunteers had assisted with supporting services, allowing professional staff to carry on with their normal duties.

All nursing staff and doctors reported for duty. But radiographers were able to maintain only emergency services with a skeleton staff, Dr van der Heever said.

He said that since the deployment of private security guards on the hospital premises last week, no reports of intimidation had been received.

"Management express their concern for medical patients as

335
It was noted that patients admitted to the medical section are seriously ill.

"Since only emergency cases could be treated at the hospital with the commencement of the strike by general assistants more than three weeks ago, it seems that medical patients delayed their visit to a doctor for too long.

"This now results in their being admitted to the hospital in a very serious condition," he said.

A spokesman for Hillbrow Hospital said the situation was the same as last week, despite the help of a few volunteers.

He added that the hospital was only treating emergencies.

A spokesman for Johannesburg Hospital expressed concern at the deteriorating situation at the hospital since the strike began.

A Nataspruit matron refused to comment, and spokesmen were not available at other affected hospitals.

The strike by Nehawu members has degenerated into violence at several hospitals.

Job losses in recession total 160 000 — report

Bloom 29/6/92 SHARON WOOD (335)

ALMOST 160 000 people had lost their jobs since the beginning of the downswing, despite a slowdown in wages during the same period, the Reserve Bank said in its latest quarterly bulletin.

Labour costs eased during 1991, with growth in average nominal wages and salaries per worker slowing to 15,4% from 16,9% the previous year.

However, the Bank described this as only a marginal slowdown. It said these high rates of increase probably contributed to the rising unemployment.

Many employers were forced to retrench employees to contain rising labour costs and remain competitive in a weak domestic market.

In many cases, this was also due to an international market characterised by falling commodity prices and lower rates of increase in the production costs of many competitors, the Bank said.

The bulletin said total nominal wages dropped sharply from 19% in the second quarter of 1990 to 13% in the second quarter of 1991, but then accelerated to 15,8% and 15,3% in the next two quarters.

As a result of the slower increases in nominal wages, real wages per worker remained virtually unchanged last year from 2,2% in 1990.

Private sector nominal wage and salary increases, which averaged 14,9%, were lower during 1991 than those in total nominal wages.

Wages and salaries of public authorities rose by 15,7%, sharply down from 1989's 21,9% increase.

"For the third year in a row, the increases in the average remuneration of workers employed by the public authorities were nevertheless higher than those of workers in the private sector," the Bank said.

The decrease in formal employment took place mainly in the private sector, it said, with employment contracting by 3,6% during 1991. Public sector employment rose by 1,6% last year. The Bank attributed this to staff increases in the police force, black education and the correctional services.

Bid to stop dismissals

By Helen Grange

STAR 30/6/92

A total of 5 244 striking hospital workers have been dismissed with effect from tomorrow, and more letters of dismissal or intention to take disciplinary actions are on the way to scores more.

The Transvaal Provincial Administration (TPA) action comes after workers ignored Friday's deadline to return to work or provide written reasons for their absence during the protracted wage strike.

Despite this, lawyers for the National Education, Health and Allied Workers' Union (Nehawu) are making last-minute representations to the TPA, hoping to reverse the dismissals before they take effect tomorrow.

The union yesterday softened its position, saying it would call off the strike if the Government agreed to go to arbitration and withdrew disciplinary action against members.

Meanwhile, Nehawu is holding a meeting with other public sector unions today to discuss action the unions can take in support of hospital workers.

Nahawu said in a statement yesterday that arbitration was a fair offer and would be accepted by any reasonable employer.

The Government and Nehawu should enter into arbitration as soon as possible, Baragwanath Hospital medical advisory committee chairman D J Gelderen said in a statement yesterday.

700 Iscor jobs may be on line

Sowetan 30/6/92

Sowetan Correspondent

A TOTAL of 700 employees at Iscor's Pretoria Works - equivalent to 14 percent of the workforce - will either be transferred to other centres or retrenched in the next 18 months.

The transfers or retrenchments come on top of the retrenchment of 230 employees and transfer of 359 others from the Pretoria Works to other centres during the past 12 months.

This was confirmed yesterday by Iscor public relations manager Mr Neels Howatt, who said the transfers or retrenchments were necessary because of the rationalisation that had been taking place at the Pretoria Works over the past 10 years.

This has led to older plant being replaced with more modern equipment, which required fewer people to operate it, he said.

Iscor currently employs about 5 000 people at its Pretoria Works and the transfer or retrenchment of 700 in the next 18 months together with 589 either transferred or retrenched in the past 12 months, means the workforce at the Pretoria Works will have been reduced by 23 percent in a 30-month period.

Howatt said the first option Iscor always considered was transferring excess staff, as indicated by the 359 employees transferred in the past year.

But he said if these employees could not be accommodated in other centres, or were unwilling to be transferred,

they would have to be retrenched.

As part of the rationalisation at the Pretoria Works, the safety and security departments have merged while certain other production departments have been integrated into a single department.

The transfers and retrenchments occur at a time when Iscor has been battered by collapsing export prices and a drop in local sales.

This, together with Iscor's R4 billion investment over the past four years in modernising and upgrading existing plant and in new products, led to a 9,6 percent drop in the company's operating profits in the six months to December last year.

After tax profit in this period plunged 43 percent to R171 million from the R301 million earned in the same period in 1990 and led to Iscor cutting its interim dividend by a third from 4,5c last year to 3c.

The outlook also does not look promising. Chairman Mr Marais de Waal said when he announced the company's interim results, that there were no signs of a recovery in the domestic market and excess capacity overseas would depress steel prices for most of the year.

No short-term improvement in earnings was therefore expected and Iscor was taking steps to protect its earnings until market conditions improved, he said.

TPA fires striking workers

Sowetan 30/6/92
MORE than 5 000 striking hospital workers have been fired by the Transvaal Provincial Administration.

This was disclosed yesterday by the TPA's chief director of administration, Mr PW van Niekerk.

The dismissals would be effective from July 1, he said.

National Education, Health and Allied Workers Union assistant general secretary Mr Neal Thobejane said the union would discuss the dismissals with its lawyers.

He pointed out the dismissals did not address the issues for which the workers went on strike.

Van Niekerk said members of his department had been considering individual cases of striking workers who had not reacted to the TPA's ultimatum since Friday.

"Factors being taken into account are working record, disciplinary record, period of service, age, reaction to the ultimatum, involvement in violence or crime during the strike, (and) the degree of intimidation," he said.

Last week the TPA warned strikers to report for work by last Tuesday and provide written explanations why they should not be disciplined by last Thursday.

Thobejane said last week Nehawu's lawyers sent a collective letter to the TPA on behalf of its striking members.

Van Niekerk said copies of the dismissal letters would be available at pay points from today.

● At least 20 workers held a one-hour protest at the Victoria Hospital in Wynberg, Cape Town, yesterday to press demands by the Nehawu for a R724 minimum wage.

Iscor plans more cutbacks at Pretoria

By Roy Cokayne

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STAR 30/6/92

About 700 employees at Iscor's Pretoria Works — 14 percent of the workforce — are to be transferred to other centres or retrenched in the next 18 months.

The transfers or retrenchments come on top of the retrenchment of 230 employees and transfer of 359 others from the Pretoria Works to other centres in the past 12 months.

This was confirmed by Iscor public relations manager Neels Howatt, who said the action was necessary because of the rationalisation at the Pretoria Works over the past 10 years.

This had led to older plant being replaced with more modern equipment, which required fewer people to operate it, he said.

Mr Howatt said the first option Iscor always considered was transferring excess staff. But if these employees could not be accommodated in other centres, or were unwilling to move, they would have to be retrenched.

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No short-term improvement in earnings was therefore expected and Iscor was taking steps to protect its earnings until market conditions improved.

One of these steps included restricting capital expenditure to existing products.



Marius de Waal . . . no sign of recovery in domestic market.

Iscor to cut more posts

KARIN FRANKEN

ABOUT 700 employees at Iscor's Pretoria plant will be relocated or retrenched in the next 18 months, following the recent rationalisation programme in which 230 workers lost their jobs and 359 were transferred, Iscor public relations manager Neels Howatt said yesterday.

Workers were told they could either be transferred to other plants or accept retrenchment. Some of the older workers were given early retirement packages.

Numsa spokesman Herman Ntlatleng said his organisation did not support the rationalisation programme in principle. Workers with families living in Pretoria could not be transferred, and would ultimately lose their jobs.

"Workers are not happy about the 18-month programme, because between 800 and 1 000 positions will be affected,"

Ntlatleng said. 30/6/92

Howatt said employment levels would fall by 1 289 from a total of 5 589 in 1991 to 4 300 in 1994. The second rationalisation resulted from the closing down of Iscor's old coke ovens, which were used to convert ordinary coal to special coking coal.

Help at hand for jobseekers

Blaauw 30/6/92
A TEAM of businessmen has joined forces to provide free workshops for jobseekers on the Witwatersrand.

The workshop series, arranged by Johannesburg-based JobMark, started in Boksburg last Thursday, JobMark MD Rob Eichorn said yesterday.

JobMark, which uses a computer network to link jobseekers with employers, has opened the workshops to all unemployed people, individuals seeking career changes or promotion,

THEO RAWANA

graduates, school-leavers as well as those re-entering the job market. *(338)*

The next workshop will be in Roodepoort on Thursday, and the rest of the series will be run until the end of August at Germiston, Kempton Park, Edenvale, Benoni, Alberton, Randburg, Sandton and at Mondeor.

Bookings should be made at WorkShop Helpline on 884-9444 or 884-6006.

In my view . . .

A daily commentary on current economic affairs by writers of The Star.

Retrenchments weaken our economic muscle

STAR 30/6/92
The backbone of our economy is being cast upon the retrenchment scrapheap — with dire consequences for the many affected individuals and for the country as a whole.

(335)
By John Spiro



While distinctly unpalatable, we must face up to the fact that the white middle class is being wiped out by a depression that has sparked retrenchments on an unprecedented scale.

For those who have been and are being retrenched, the future is one of unmitigated disaster. They're middle class and middle aged — and in the current economic climate, unemployable.

Right now, the retrenchment packages on which they've been surviving are running out. When the last cent is spent, they'll be destitute — unlike their counterparts in foreign industrialised nations, where the State provides at least eating money to people thus consigned to first-time poverty.

The lucky ones will set aside fierce pride and turn to their children for help. The less fortunate will have no option but to withdraw their children from the tertiary education institutions they've thus far been able to afford.

Much sympathy exists for the so-called lost black generation. Little thought is spared for the forgotten white middle class — your decent, average South African who has contributed the bulk of the country's taxes over the past several decades to help raise the living standards of all his compatriots; whose father helped defeat Hitler to extricate the world from the threat of chaos.

Perhaps more thought should

be spared for those retrenched — not through pity but for reasons of self-interest.

For you will be called upon to pay the taxes they are no longer in a position to pay; you, along with the economy, will suffer when their spending power dries up as their retrenchment packages evaporate.

It's you and your children, indirectly, who will be disadvantaged when their children, the prospective backbone of tomorrow's economy, are deprived of a higher education for lack of funds.

The solution?

The retrenchment mania that is sweeping like an epidemic through the ranks of the country's employers should be tempered with the perspective that the economy will ultimately recover.

The country's economic policymakers must give serious thought to repriming their terminally ill charge. Overkill, fast becoming a reality and medicine administered now won't produce the desired effect without a marked time

Transvaal hospitals fire 5 000 strikers

(15) KATHRYN STRACHAN (335)

THE Transvaal Provincial Administration (TPA) fired more than 5 000 striking hospital workers yesterday.

TPA administrative services chief director P W van Niekerk said in a statement yesterday that letters of dismissal had been posted to strikers and dismissals would be effective from July 1.

Van Niekerk said the TPA had considered the individual cases of striking workers who had not reacted to the ultimatum. Factors that were taken into consideration included working record, disciplinary record, period of service, and involvement in violence or crime during the strike.

The filling of vacancies would receive attention as soon as possible.

TPA spokesman Piet Wilken said 8 000 cases had been looked at and indicated that more dismissals could be expected soon.

National Education, Health and Allied Workers' Union (Nehawu) assistant general secretary Neal Thobejane said the dismissals only deepened the crisis, and warned that the TPA's move would lead to action this week that would "bring the country to a standstill".

Thobejane denied that the strike was politically motivated, but said the protests were aimed at government because it was "ultimately responsible for setting wages".

Strikers could not be fired without being given fair hearings and the union's lawyers would oppose the dismissals, he said. A collective representation would be made today on behalf of all fired workers.

More than 1 600 health workers were still on strike at 22 Cape hospitals yesterday, reports Sapa, but the Cape Provincial Administration would not, at this stage, take a hardline stance.

Meanwhile, the DP has called for government to accept Nehawu's call for arbitration if this would end the hospital strikes, manpower spokesman Robin Carlisle said yesterday.

Further 2 000 hospital workers are dismissed

By Helen Grange *Star* 1/7/92

Hopes of resolving the hospital strike faded yesterday as 2 000 more workers were dismissed and the Government indicated that the "already completed" wage negotiations could not be referred to arbitration as demanded by the National Education, Health and Allied Workers' Union (Nehawu).

About 7 000 striking hospital workers in the Transvaal have been dismissed with effect from today. At the same time, about 20 000 hospital workers in Natal are due to strike today.

Nehawu has slammed the dismissals and called for a nationwide strike by general assistants and provincial administration workers from today.

The union was in discussions last night to determine what action other public-sector unions could take in solidarity with strikers.

However, the Transvaal Provincial Administration has told dismissed workers they have seven days to "provide acceptable reasons" for why they should not be dismissed.

Nehawu's stance remains: it will call off the strike if disciplinary action is reversed and its dispute over salaries is referred to arbitration.

Baragwanath Hospital reported more than 900 dismissals. At Hillbrow Hospital about 500 staffers were dismissed.

Last night the TPA said about 700 strikers had not been discharged, as they had made representations.

3 000 rally in protest at council

STW 117192
By Louise Burgers
Municipal Reporter

About 3 000 Johannesburg City Council employees gathered at the Braamfontein Civic Centre yesterday in protest at possible retrenchments and no increases.

The meeting took place after the joint committee of the 12 municipal unions took the council to court for banning a previous meeting.

The meeting was allowed to go ahead yesterday after conditions laid down by the Rand Supreme Court were agreed to by both parties.

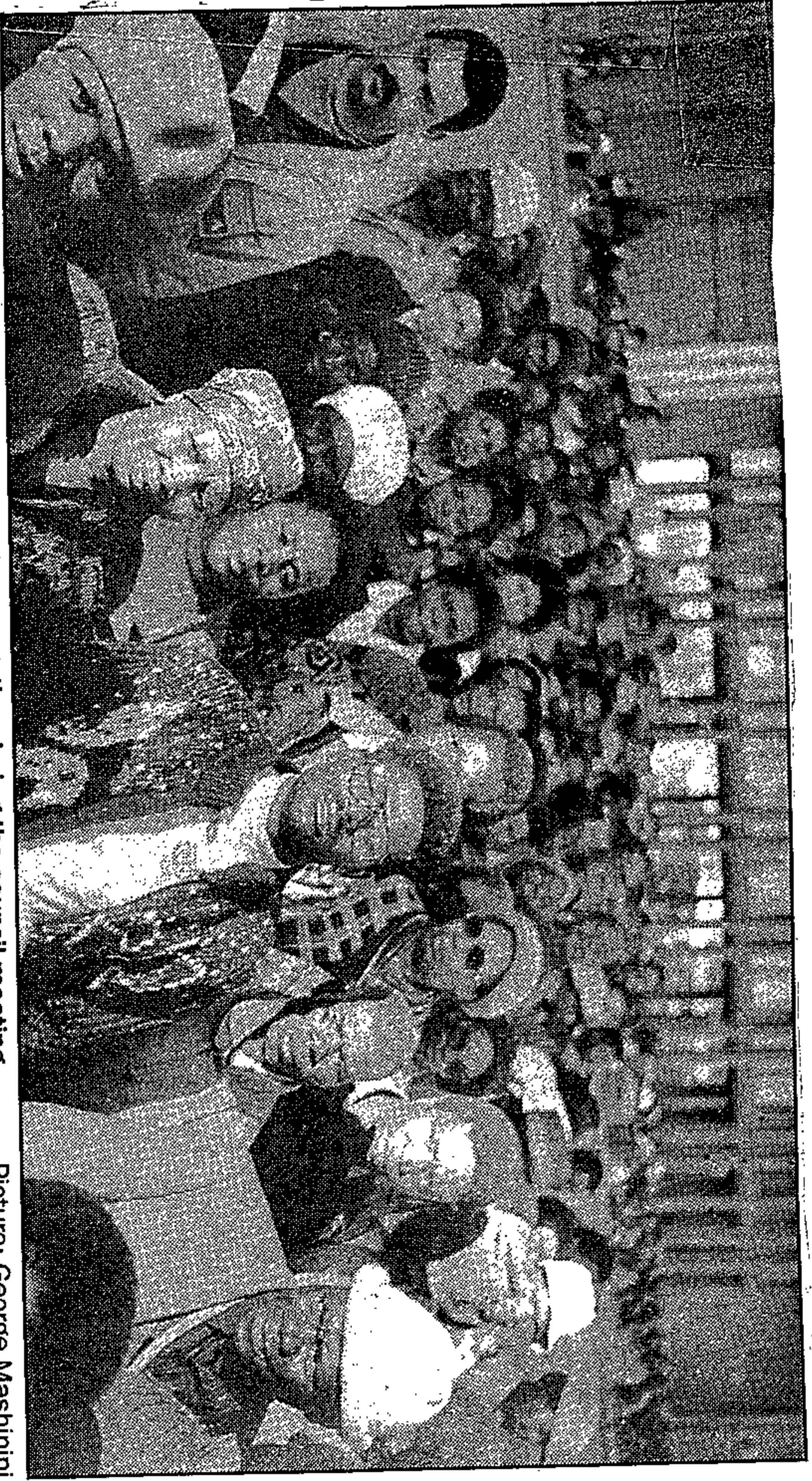
The report-back meeting on the progress of wage talks was addressed by union leaders.

Wage negotiations are continuing between the council and unions in a bid to resolve the wage dispute. An industrial council meeting takes place on July 8.

Independent councillors Sam Moss and Clive Gilbert were cheered when they addressed the crowd, expressing support for workers.

"We don't balance the budget by firing people. Stand firm behind your union and then victory will be yours," Mr Moss said.

Management committee member Paul Asherson later criticised the two councillors, saying: "We are in the process of negotiating a package with the union for a better deal for our ratepayers."



In protest . . . about 3 000 municipal employees gather during the council meeting.

Picture: George Mashinini

The streets can hold death for late-night workers going home

Star 2/7/92

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At 11.30 pm on Saturday July 6 1991, 27-year-old Stella Mabile finished her shift at a fast food restaurant in Rustenburg. Her boss gave her a lift, but he didn't take her home. He dropped her at about 12.30 pm at the last robot out of Rustenburg on the road to Sun City.

Stella never got home. She was raped and then murdered. Her body was found early on Sunday morning by the Bophuthatswana police.

Stella's rape and murder is the extreme outcome of no guaranteed safe transport home, but many workers risk being robbed or attacked because their workplaces do not provide transport. Women workers are especially open to attack if they try to get home alone late at night.

At the moment the law does not say anything about safe transport home for people who work night shift. There is nothing forcing bosses to provide transport

A union member was recently murdered after trying to get back home after working a late shift in a restaurant. **SPEAK** magazine looks at the issue of guaranteed safe transport home for night shift workers.

home for these workers.

What are the unions doing about this? Stella's murder has sparked her union, the South African Commercial, Catering and Allied Workers Union (Saccawu), to campaign seriously for safe transport home for night workers.

Saccawu has written to all the take-away chain companies which employ people at night to ask them whether they provide workers with transport home.

In a letter to the bosses they wrote: "This is not an issue to be left to annual negotiations, it is pressing and requires immediate attention. Safety is a basic human right which no employer can ignore."

Many of the companies did not even bother to reply.

Some of the big chain companies that did answer, said they did not deal with such issues. They said the union must speak to each of the fast-food restaurants under them, as they are each individually managed.

Saccawu organiser Alan Horwitz said this proves safe transport home for night shift workers is mostly not guaranteed.

"We have now started publicising this demand within the union and we will be taking it to Cosatu. Many of our members have reported being attacked or robbed while trying to get home alone at night. This is a seri-

ous issue, but unfortunately it is probably up to the women within unions to make sure that it is taken up seriously. We need to start safety-at-night campaigns."

Patricia Appollis, the national co-ordinator of women in Saccawu said: "Saccawu has now decided to launch a campaign around this, but it will definitely be left to the women to push this demand in the union. Men don't take it seriously and other issues get made into priorities. It is an important campaign that should be taken up nationally. It doesn't only affect the women in the union, it affects everyone."

The Transport and General Workers Union also has members who work late at night. Cleaners often start their shift after everyone else has gone home, and security guards also work night shifts.

The assistant general secretary of TGWU, Randall Howard, said: "The majority

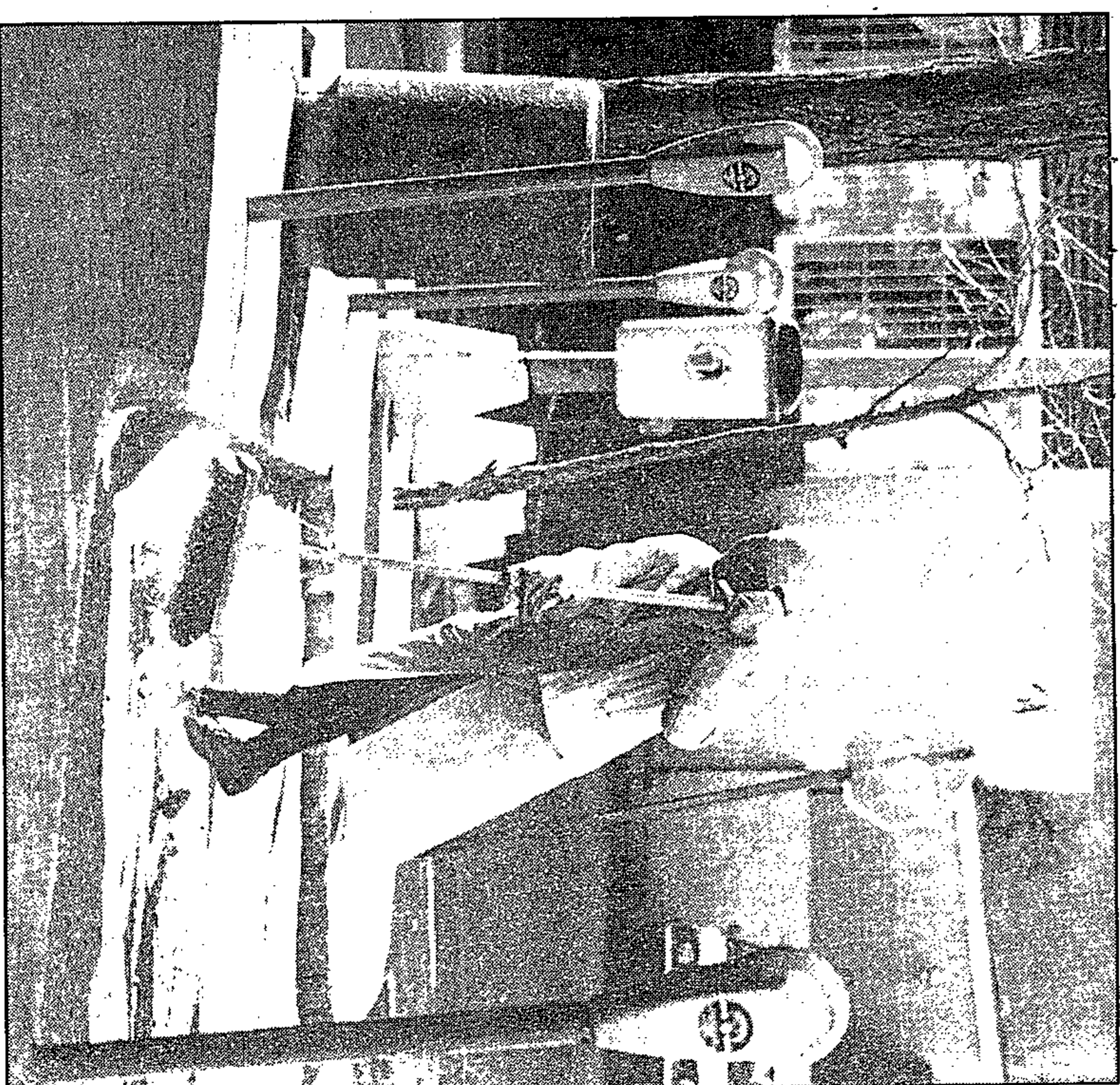
of companies do not provide guaranteed safe transport home. Our members working these night shifts have told us about the danger of getting home and have talked about their worries. Women in particular face all kinds of danger when they try to get home late at night."

"At the moment though, although this always comes up as one of our demands during negotiations, we have not launched a specific campaign on this demand."

"This definitely needs to be taken up more seriously," he admitted.

At the Cosatu congress this year the union federation committed itself to campaigning for safe and adequate transport for night shift workers and for people doing overtime. So far it does not seem as if there has been a specific campaign launched around this demand.

Speak, Box 261363, Excom 2023, South Africa.



Lonely streets . . . cleaners and restaurant employees who work odd hours often face problems finding transport home after their shift.

335

Sowetan 217192

The case is a sequel to the dismissal of 3 500 workers by Perskor in 1990.

Favour

The company appealed to the Pretoria Supreme Court, which upheld industrial court ruling and dismissed the appeal.

Mr Justice Spoelstra ruled in favour of the company, prompting Mwasa to take the matter to the Appellate Division.

Fury over firing of hospital staff

By Ferial Haffajee

THE Transvaal Provincial Administration (TPA) this week dismissed more than 5 000 general workers, but finally agreed to go into mediation with the National Education, Health and Allied Workers' Union (Nehawu).

The fate of about 1300 workers still hangs in the balance. The country faces the possibility of sister unions in the public sector coming out on sympathy strikes.

Nehawu general secretary Phillip Dexter this week called the mass dismissal "malicious and short-sighted".

About 22 000 workers are on strike around the country in 19 hospitals; the Cape Provincial Administration has said it will not dismiss workers at the five hospitals on strike in the Cape. The Free State Provincial Administration this week began interdicting striking workers.

Workers in the Transvaal were selectively dismissed. According to the TPA, "the case of each individual striker was reviewed on merit", but the union believes this may be a process of weeding out active union members. New workers will be employed after the seven days allowed for workers to make representations. Meanwhile, volunteer workers at strike hit hospitals are holding the fort and being paid R3,25 an hour.

The strike highlights the need for expediting legislation in the public sector, says Dexter. Last year, the Public Servants Association (PSA), Nehawu and the Commission for Administration (which deals with human resource development in the public service) started negotiations towards drawing up legislation.

The PSA submitted draft legislation while Nehawu urged the commission to seek a wider mandate from the government which would give it decision-making powers in order to speed up the process, by doing away with the commission having to report to the cabinet on every clause.

Nehawu believes the existing Labour Relations Act should be extended to the public service with additional provisions for emergency service workers.

Shamima Mayet, the union's attorney says: "We have not had a response from the Commission for Administration. The legislation is a long way away because we have not started work on the first clause".

But she is hopeful draft legislation will be tabled in October.

The Commission for Administration says the legislation is "under consideration".

6 000 strikers sacked at Toyota's Durban plants

DURBAN — Toyota SA announced yesterday it had dismissed 6 000 striking workers at its Durban plants in terms of an ultimatum delivered to them at the end of last month, ordering them to return to work or be fired.

"Toyota regrets to announce that 6 000 workers have been dismissed following their failure to comply with an ultimatum to return to work, issued on June 29 1992," a statement, issued by the company, said yesterday.

The dismissals follow two strikes at Toyota's Durban plants over the past two months.

The first strike, in May, lasted 17 working days. Workers returned to work after it was resolved but downed tools a week later, on June 9, after discovering some shop stewards had been paid for the duration of their first strike.

The National Union of Me-

talworkers of SA described the payment of workers as a breach of Toyota's "no work, no pay" policy and demanded that all strikers be paid for the duration of the work stoppage.

Toyota, however, said the payment of shop stewards for negotiations during strikes was common practice in the motor industry and had been applied by the company in the past without any argument from Numsa.

Unwilling

Toyota said 45 days had been lost in strikes at Toyota's Durban plants, costing the company R675 million in lost turnover. Strikers lost R800 000 a day in wages.

"Toyota has made exhaustive efforts to resolve the situation. However, Numsa has continued to be unwilling or unable to secure a return to work," the company statement added.

The statement also said it was important to note the current strike was not a wage dispute, "but rather an issue where Numsa are demanding that Toyota disregards the universally accepted principle of no work, no pay".

Numsa national organiser Gavin Hartford said early yesterday that Toyota had been intransigent during mediation on Friday and had been more concerned about the ultimatum than settling the dispute.

"Their position is workers must return to work with nothing after seven weeks. They seem more committed to their ultimatum than the process of mediation," he charged.

Neither Mr Hartford nor other Numsa officials were immediately available yesterday afternoon to comment on the dismissals. — Sapa.

Sowetan 7/7/92

Toyota fires 6 000 workers

TOYOTA SA announced yesterday dismissed 6 000 striking workers at its Durban plants following an ultimatum ordering them to return to work or be fired.

The company said the workers had failed to comply with an ultimatum to return to work issued on June 29.

However, the strikers said they would defy their dismissals and continue "striking" until the company returned to bona fide negotiations.

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Fired workers and job-seekers in clash

Sowetan 10/7/92

Sowetan Reporters

Confrontations as police increase security as tempers flare in hospital strikes:

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POLICE have stepped up security around Soweto's Baragwanath Hospital following clashes between 600 dismissed workers and job-seekers queuing daily to apply for jobs.

Brigadier Jack de Vries of the Soweto police said yesterday that "police will do everything we can" to protect people under threat.

The announcement follows police investigations which have linked three petrol-bomb attacks at houses in Soweto to the hospital strikes.

In one of the attacks, seven people were burned - four of them, are in a critical condition - when two petrol bombs were hurled at a house in Naledi Extension 2 in Soweto.

In another attack, also on Tuesday, two

men and a woman were assaulted with knobkerries at the taxi rank outside Baragwanath Hospital by people believed to be dismissed strikers.

Police said security would be stepped up near the hospital at peak hours and particularly at the change of shifts. This would be in addition to patrols around the clock.

At Garankuwa Hospital near Pretoria members of the National Education, Health and Allied Workers Union (Nehawu) who were dismissed from the hospital following a strike have launched attacks on non-striking workers and part-time labourers.

Men and women, some armed with sticks and sjamboks, manned road-

blocks along the hospital route used by taxis yesterday. They said they were looking for "sellouts" who have taken up jobs at the hospital.

A spokesman for the Northern Transvaal police said yesterday that members of the National Stability Unit would be deployed around the affected area to guard against acts of intimidation.

Health workers

In Pinelands, Cape Town, hundreds of striking health workers blocked the main gate to Conradie Hospital yesterday, preventing other employees and an ambulance with a patient from entering the hospital.

The strikers then moved to the Cape Provincial Administration's central laundry at Epping where they prevented about 80 non-strikers from entering.

According to the CPA's latest update the situation has returned to normal at the Port Elizabeth Provincial Hospital, Empilweni, Elizabeth Donkin, Dora Ngiza, Fort England in Grahamstown, and the Livingstone Hospital and Laundry in Port Elizabeth.

A delegation of about 200 Nehawu members yesterday presented a petition to the office of State President F.W. de Klerk objecting to the Government's health policy.

They handed over a memorandum stating Nehawu wanted De Klerk and his Cabinet to display "true statesmanship and show the world you care about

the public service, especially health services".

Meanwhile, more than 150 000 workers are expected to take part in a march organised by the country's two major labour federations today.

The marches, which are organised by the Congress of South African Trade Unions (Cosatu) and the National Council of Trade Unions (Nactu), will be in support of the striking media and hospital workers.

In another development, the Pan Africanist Congress has threatened to organise a consumer boycott against companies advertising on the South African Broadcasting Corporation (SABC). The names of the companies and products to be targeted are to be revealed today.

Earlier, the PAC had demanded that SABC sponsors and advertisers contact it "to explain their intentions".

TPA 'will not give in' to union

Day 10/7/92

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KATHRYN STRACHAN

THE TPA will respond today to the National Education, Health and Allied Workers' Union (Nehawu) offer to call off the hospital strike on condition that all fired workers be reinstated.

But TPA spokesman Piet Wilken indicated yesterday that the TPA would not give in to the demand.

Nehawu general secretary Phillip Dexter said the strategies of other public sector unions and Nehawu depended on the TPA's decision.

More than 600 hospital workers, joined by local civic associations, plan to march on Baragwanath Hospital today to protest against their dismissal. In a separate march Nehawu workers and Media Workers' Association of SA (Mwasa) strikers are to march on the TPA Johannesburg offices and on the SABC.

Meanwhile reports of widespread violence and intimidation against workers continued yesterday.

Hillbrow Hospital superintendent Dr Trevor Frankish said hospital shop stewards abducted a worker who was travelling to work by train.

Frankish said the worker was taken to the Nehawu branch office, where she was assaulted and threatened. He said it was the third such incident at the hospital.

In a statement, TPA health services MEC Fanie Ferreira said an unsigned pamphlet issued by Nehawu's Pietersburg branch threatened workers with death if they did not join the strike.

Dexter said the branch had not issued the pamphlet and blamed it on trouble makers.

Ferreira said police had to use teargas yesterday to disperse striking workers from Medunsa. A guard was seriously assaulted by workers at a strikers' meeting, he said.

Baragwanath Hospital spokesman Annette Clear said the situation at the hospital had become calmer, possibly due to the police presence. She said hundreds of people had arrived at the hospital to apply for vacant positions, but no new appointments had been made.

Natal Provincial Administration spokesman Dave McGlew said all strikers had returned to work and hospitals were operating normally.

LINDA ENSOR reports from Cape Town that the Cape Provincial Administration (CPA) said 1 574 workers at seven hospitals in the eastern Cape returned to work yesterday.

About 3 030 workers were still on strike in the Cape.

The CPA alleged that "gross intimidation" had taken place at the Red Cross Hospital in Cape Town where one of the supervisors had been assaulted.

At the Pinelands laundry 150 workers were on strike. "The strikers blocked the gates this morning and barred the workers from entering. The police were called and the crowd dispersed," the CPA said.

50 000 lose their jobs ⁽³³⁵⁾

S Times (13455) 12/7/92
MORE than 50 000 jobs were lost in four sectors in the first six months of this year.

By ADRIAN HERSCH

That is the unhappy position as business leaders and Cosatu meet in an attempt to avert a potentially costly general strike — to both parties — called by the union federation for August 3.

The National Council of Trade Unions (Nactu), the second-largest union federation after Cosatu, has yet to decide whether it will take part in the strike.

The steel and engineering industrial council reports that about 16 300 jobs were lost in the first half of the year. This is in line with the high rates of 1991 — 35 000.

Mines

A Chamber of Mines spokesman says about 6 000 workers were retrenched by the end of May — 4 000 on gold mines and 2 000 at collieries. Retrenchments are still being made.

The clothing and textile industries have shed at least 14 000 employees since January.

National Clothing Federation economist Arnold Werbeloff says 10 000 posts were lost in the year to the end of May.

Textile Federation of SA executive director Brian Brink says about 4 000 jobs were shed in the first six months of 1992.

Building Industries Federation of SA (Bifsa) executive director Neil Fraser says that in the year to March posts were being lost at a

rate of 3 000 a month.

Bifsa has not yet completed its count, but Mr Fraser fears that since March, job losses "may have been as high as 4 000 a month".

Nactu said in May it would not take part in campaigns relating to Codesa. It said it "did not support Codesa and the demand for an interim government".

It would campaign only for a constituent assembly as well as matters that "directly affect workers".

Nactu assistant general secretary Mahlomola Skhosana says a conference will be held on July 18 when a decision will be made on whether to take part in the general strike.

The Federation of SA Labour Unions (Fedsal) — formerly known as the Federation of SA Salaried Staff — opposes the strike.

Collar ^{12/7/92}

General secretary Dannhauser van der Merwe says the Fedsal does not involve itself in political matters.

Workers will forfeit pay and face possible disciplinary action if they strike, says Mr Van der Merwe.

Fedsal is non-racial, is not linked to any political party and comprises about 220 000 members in white- and blue-collar jobs. Its members are in the financial, motor, metal, mining, chemical, transport and public sectors.

Retrenchments 'past their peak'

B/DAY 13/7/92

335

ANDREW KRUMM

BARRING any disasters from Cosatu's mass action campaign, it appeared the rate of retrenchment in the economy had peaked and was stabilising, Gavin Brown and Associates MD Gavin Brown said at the weekend.

However, Brown said the comment was "less true of some sectors than others".

Chamber of Mines chief statistician John Winson said about 5 600 miners had lost their jobs in the first five months of this year. He estimated another 8 000 to 10 000 jobs would go by year end.

"But this is down on the more than 34 000 job losses in mining in 1991." Gengold MD Gary Maude said retrenchments in the group were definitely down on previous years.

Conversely, SA Steel and Engineering Industries Federation (Selfsa) executive director Brian Angus said retrenchments in the sector, at 13 800 in the first five months of this year, were up 27% on the same period in 1991.

Retrenchments had been running at a high but fairly consistent level this year, with 2 500 to 3 000 job losses a month. Nearly 91 000 people had been retrenched in steel and engineering industries between 1989 and May 1992, Angus said.

SA Chamber of Business (Sacob) economist Keith Lockwood said there was no reason to expect a significant reduction in retrenchments in the coming months.

He said 68% of respondents in

Sacob's latest survey of manufacturing had indicated the number of unskilled workers employed in the next year would be lower than in the past 12 months.

Brown said the drop in consumer spending had hit the retail industry about a year ago. Clothing and textiles were particularly badly hit, dropping about 14 000 jobs in the year to end May 1992.

SA National Association of Automobile Manufacturers (Naamsa) assistant director Costa Pierides said employment levels in the motor industry, fluctuating around 37 500, had been "unnaturally static" during the recession years.

"Because of the moratorium on retrenchments in our industry, there may be a distortion in linking economic conditions to trading," he said.

SA Federation of Civil Engineering Contractors economist Henk Langenhoven said the degree of retrenchment in the civils industry hung on turnover in the next two quarters.

"Our latest survey showed that, contrary to expectations, respondents estimated their turnover growth in the second quarter up 1% on average on the first quarter."

"From 1990 to 1991 there was a 22% decline in employment in civils, but only a 9% decline in salary and wage packages. This suggests employers may have over-reacted and retrenched more than necessary," said Langenhoven.

Reinstate workers

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THE National Education, Health and Allied Workers Union (Nehawu) has set aside Friday as the deadline for the reinstatement of the dismissed hospital workers.

Sweetan 14/7/92
Nehawu general secretary Mr Phillip Dexter said yesterday that his union would replace the hospital management with "peoples" leadership if they failed to meet its demands.

Dexter also refuted claims that Nehawu members were responsible for the spate of attacks on the so-called "non-striking" hospital workers.

Striving for a better future for YOU

SHA 1417192

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PROJECT into which a Germiston woman has put more than two years of her life — and from which she stands to gain precisely nothing — sometimes seems no nearer fruition than the day she first thought of it. But still she doggedly sticks to the task.

A poster on the wall of her office at the estate agency she runs in central Boksburg neatly sums up Lynne Cheshire's approach to life.

It shows Lucy from the Peanuts strip saying: "I've invented something that can do the work of two men — one woman!"

It isn't that she's a red hot feminist. "I'm not, but I do like to get on with things," she says. "Once I get my teeth into something, I find it very hard to let go," adds this dynamic, public-spirited businesswoman who has held a variety of public posts in the East Rand's world of commerce and is currently special ad-

viser to the president of the Germiston Chamber of Business.

But the project nearest Mrs Cheshire's heart is YOU — Youth Over Unemployment — a project badly bedevilled by the present political climate, but one she is determined to get off the ground sooner than later. To this end she will be travelling to Britain in the near future to discuss the matter of financing the project "at a high level".

She has previously corresponded with Margaret Thatcher on the project, and has a letter from the former British premier expressing her support and approval.

Mrs Cheshire, who is no stranger to dealings with the top echelons of the Government, as well as Inkatha and the ANC, emigrated to this country 20 years ago. In the UK she started nursing at a very young age. "There's nothing worse



than regret for missed opportunities, and you see this so much in illness. I don't want to die having not achieved anything." She had a near death experience when daughter Amanda was born 13 years ago — "and that more than anything decided me I must do something positive with my life."

What is YOU? Though it would be black orientated, it was inspired by the plight of 23-year-old Rodney Thoms, who these days works at the estate agency. It all came about as a result of a letter he wrote to the Germiston City Times, complaining that since his national service

straight from school, he had made 310 employment applications without success. "Can you imagine how much worse it is for blacks?" Mrs Cheshire says.

"Everywhere you look there's violence today," says the tall brunette, "and the single major factor is unemployment. Do you realise there are approximately 6.5 million people unemployed — and as we speak the figures are growing? If we get people jobs — and they're mainly young people — we've got a chance."

Mrs Cheshire has her eye on a Wadeville factory that would cost R1.5 million. In a project she sees as generating its own finance once it is off the ground, the factory would become an all-purpose HQ where workers could be trained and the project directed. "It needs commitment from business or it won't work," she says bluntly.

"But we would be helping each other; we would be providing them with exactly the kind of work force they need for any given area of business."

Mrs Cheshire envisages a three-tier operation covering factory worker skills, any number of entrepreneurial skills from office cleaning to pottery, dressmaking, woodwork, garden service, and for those who are academically gifted. This is no pipe dream. She has done exhaustive studies on the project, and in the case of the academically gifted has already approached the head of the Germiston Technikon, who has given her the assurance that he would help.

"My dream," says Mrs Cheshire, "is to establish similar centres throughout the country. I know it can work. Once the first one's off the ground, it'll mushroom."

MICHAEL SHAFTO



Drive and determination . . . keep Lynne Cheshire on the path she has chosen.

Council of Trade Unions, discriminatory practices Joe Botha announced last night.

Body to fight 'corruption, murder'

By Michael Sparks

A coalition of nearly 50 organisations was formed yesterday to fight Government "corruption and State-sponsored murders".

Dubbed the Coalition against State Murder and Corruption (Casmac), it was formed at Wits University and plans to send a representative to Harare to address a United Nations group investigating human rights violations.

Casmac comprises a broad spectrum of trade unions as well as political and religious groups, including the ANC, Congress of SA Trade Unions, SA Catholic Bishops' Conference, SA



Ramaphosa ... urged vigorous public outcry.

Council of Churches, Lawyers for Human Rights, Human Rights Commission, Black Sash, Pan Africanist Congress and Five Freedoms Forum, among others.

Addressing the launch of Casmac yesterday, ANC secretary-general Cyril Ramaphosa urged

the public to act to force the State to be more accountable for its actions.

He challenged the public to take part in a more vigorous public outcry so that the Government could not "get away with denials of complicity in the violence".

Casmac, in a document distributed at the launch, called for the dismissal and prosecution of all Government ministers and officials who had been involved in murder or corruption.

It also called for the full disclosure of secret projects and covert operations — and the creation of a multiparty commission, involving the international community, with full powers of ac-

cess and investigation into the security forces.

Casmac plans to meet Mr Justice Goldstone to voice its concern that recommendations by the Goldstone Commission are not being acted upon by the Government.

Members also hope to meet President de Klerk.

Casmac intends writing to the UN Committee Against Apartheid and the British Anti-Apartheid Movement.

Among the 18 members elected to the steering committee are Cheryl Carolus of the ANC, Kallie Hanekom of Five Freedoms Forum, Brian Curren of Lawyers for Human Rights and John Lamola of the SA Council of Churches.

Dismissed Toyota workers stone job-seekers

Own Correspondent

DURBAN — Pandemonium broke out at the Toyota plant in Prospecton south of Durban yesterday and police were called in and fired tear-gas to disperse dismissed workers who had stoned and chased away people seeking employment.

Job-seekers arrived at the plant after Toyota's announced at the weekend that it would start recruiting new workers after the dismissal of 6 000 workers who had been on strike for more than a month.

Talks between management and the National Union of Metal-

workers of SA (Numsa) deadlocked on Friday.

From early yesterday, hundreds of people queued up at the gates to seek interviews. Police spokesman Captain Bala Naidoo said a group of former employees stoned and threw bottles at the job-seekers.

"Repeated calls to those who were not seeking employment to leave the area were ignored."

Toyota public affairs managing director Phil Wilkon confirmed the incident.

Numsa regional secretary Eckie Esau was unavailable for comment.

Toyota employs new workers

BDA 17/1/92
DURBAN — Toyota SA yesterday began appointing new employees to replace 6 000 dismissed workers at its Durban operations after another breakdown in talks with worker representatives on Wednesday.

Toyota spokesman Flip Wilken said the company had been interviewing job seekers over the past week and began appointing new employees to start work immediately.

Interviews were continuing.

Toyota yesterday published large advertisements in Durban newspapers announcing employment opportunities at its manufacturing, automotive components and stamping divisions in Prospecton, Jacobs and

Mobeni respectively.

The advertisement said preferential consideration would be given to former Toyota employees who applied before next Friday.

Wilken added no further talks with worker representatives had been planned.

Meanwhile, National Union of Metalworkers of SA regional secretary Ekkie Esau said yesterday the union would be requesting another meeting with Toyota management soon.

He said Numsa's latest proposals focused on reinstating employees rather than demanding they be paid for the period of a strike in May which led to the dismissals. — Sapa.

110 000 industrial jobs lost in two years

17/7/92 GERALD REILLY

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PRETORIA — More than 110 000 jobs were lost in the manufacturing and construction industries in the past two years, Central Statistical Service figures show.

According to the figures released yesterday, almost 70 000 jobs were lost in the manufacturing industry between April 1990 and April this year, bringing total employment in the sector to 1 404 000.

Job losses in the construction industry in the two years totalled 42 200.

Stellenbosch University's Bureau for Economic Research economist Nic de Jager said total employment in the formal sector this year would decline by 1%.

The decline last year was 2,1%. However, employment outside the formal sector is expected to decline by 10,4%. The decline in 1993 would be about 6,2% if current trends persisted.

De Jager said the number of job seekers was increasing by 2,8% a year.

Since the beginning of the recession three years ago to the end of the fourth quarter last year formal sector employment, excluding agriculture, dropped by about 160 000. It has been estimated that the drought will cost an additional 70 000 jobs.

Jobless legions will haunt us

Star 18/7/92

335

IN THREE years the unemployed have risen from 5,4 million to around 7,5 million, reports Finance Editor MAGNUS HEYSTEK.

SOUTH Africans, already heavily battered by the longest recession since World War 2 (some would call it a depression), might have to tighten their belts further as a combination of political and economic factors make an upturn this year unlikely.

Some would say: What belts? They have been flogged a long time ago in an effort to keep food on their tables — and of course, millions can't even do that.

After early signs that the economy would turn around somewhere in 1992, a de-

velopment that would lead to more money in the pockets of more people, the drought and political setbacks in recent weeks have postponed any chances of any real growth this year.

And real growth is what it is all about. Our biggest problem is finding work for millions of jobless.

With a population growing at approaching 3 percent a year, hundreds of thousands are annually entering a shrinking job market.

This resulted in an estimated 5,4 million unemployed people in 1989, of which a large proportion fell into the "lost generation" who could be considered virtually unemployable due to lack of skills and poor atti-

tudes towards society.

Today this figure is even more shocking — an estimated 7,5 million people.

At a recent conference in Cape Town, Old Mutual head Mike Levitt said: "South Africa is urbanising at an extremely fast rate. For example, the US had urbanisation taking place at the rate of 100 000 people a year during the strife-torn 1960s. Our rate is 300 000 people a year in a far smaller and poorer country."

"Furthermore, most of these have no fall-back option to subsistence farming, consequently there is a strong tendency to form gangs, surviving on a life of crime."

While the informal sector

absorbed some of these people, Levitt said many were economic refugees eking out a living, rather than people productively employed.

The economic platform for the transition to democratic rule was a very shaky one, he warned.

The per capita gross domestic product had been declining for more than a decade, investment had declined to unsatisfactory

levels, unemployment had been rising rapidly to reach very high levels and South Africa had an extremely unequal distribution of income.

Even assuming the most optimistic conditions under the present set of economic policies, SA would not be able to meet minimum black expectations, while there would be continued decline in the real income of whites.

"In addition there will be

hundreds of thousands more unemployed blacks in the urban areas as a potential addition to the social problems already occurring in the black communities.

"Minimal provision for additional services in the townships is likely unless taken immediately to address the economic problems," he said.

Levitt warned that weak economic performance would threaten political negotiations and could well derail them.

Success was possible but two things were needed. "Firstly, we need to enhance the capabilities of all our people, both individually and collectively."

"Economic resources available to the communities will have to increase in ways which enhance their opportunities over time to earn higher incomes, enjoy a wider range of opportunities and, in the end, to receive a larger share of the fruits of the economy."

"We need to invest in educational systems that teach skills and attitudes which will permit workers to achieve increased productivity and thus increased incomes over time."

But not all the economic forecasts are this gloomy. From Cape Town again comes the upbeat view on the economy from Rob Lee, chief economist for The Board of Executors, who be-

lieves that the worst is at most over.

Were it not for the drought — which people in cities tended to hopelessly underestimate — the sign of an increase in economic performance would already have been evident.

And apart from ringing the bells that the economy is on the verge of recovering, Lee added that the looming upturn was likely to last longer and prove to be more sustainable than previous upturns in recent years.

"This recovery has a very good chance of at least matching, and potentially exceeding, the 1977-81 recovery, which lasted for 45 months at an average growth rate of 5 percent per annum."

Job loss

starts to

level off

C/News 19/7/92
335 *20*
AMID the doom and gloom of job retrenchments all over SA a small light has appeared at the end of the tunnel: the rate of retrenchments has peaked and is stabilising.

Much depends on the planned mass action by the ANC/Cosatu/SACP alliance on financially shaky companies, but research among large employer bodies shows the worst is over, according to consultancy firm Gavin Brown and Associates.

In the key mining industry bloodletting continues with about 5 600 miners having lost their jobs during the first five months of this year. A Chamber of Mines spokesman estimates a further 10 000 jobs may go down the drain this year, but the total will be less than half of the 34 000 jobs lost in mining last year.

Consumer demand has badly hit the textile industry, with 14 000 jobs lost to May this year. The SA Steel and Engineering Industries Federation says 13 800 jobs were lost in the sector in the five months to May, up 27 percent on the 1991 period. In civils, the SA Federation of Civil Engineering Contractors reports a 22 percent drop in employment from 1990 to 1991, while union/employer agreements in the motor industry have kept employment at an artificially high level.

Latest indications are that politics, violence, the drought and a lack of local and overseas business confidence have pushed the beginnings of a recovery further ahead, possibly to 1993.

Own Correspondent

PRETORIA. — More than 110 000 jobs were lost in the manufacturing and construction industries in the past two years, Central Statistical Service figures show.

According to the figures released yesterday, almost 70 000 jobs were lost in the manufacturing industry between April 1990 and April this year, bringing total employment in the sector to 1 404 000.

Job losses in the construction industry in the two years totalled 42 200.

Stellenbosch University's Bureau for Economic Research economist Nic de Jager said total employment in the formal sector this year would decline by 1%.

The decline last year was 2,1%. However, employment outside the formal sector is expected to de-

. . . as jobs ⁽³³⁵⁾ cut back across the board ^{CT 20/7/92}

cline by 10,4%.

The decline in 1993 would be about 6,2% if current trends persisted.

De Jager said the number of job seekers was increasing by 2,8% a year.

At the beginning of the recession three years ago to the end of the fourth quarter last year formal sector employment excluding agriculture, dropped by about 160 000.

It has been estimated that the drought will cost an additional 70 000 jobs.

Households reeling under recession

335
CT 20/7/92

By BARRY STREEK
Political Staff

NEARLY one in five black households had suffered from at least one family member losing their jobs in the previous three months, a public opinion survey has found.

The survey found that 19% of black households had experienced the loss of jobs to a family member because of retrenchment, redundancy or their employers' business closing down.

The results of the poll were released yesterday by Research Surveys.

It said it seemed that most of those retrenched had become unemployed between February and May this year.

In most cases where the breadwinner had lost his or her job, other members of the family who were employed had been able to provide partial to com-

plete support, but in one of three of these households they had not been provided with alternative support from other household members.

While 33% believed the position of breadwinners would improve over the next year, 18% thought it would get worse and 30% were unable to predict whether their circumstances would change in the forthcoming year.

"Although the majority of black metropolitan households do not appear to have been hit by the recession through retrenchment or redundancy, it is nonetheless disturbing to think that fully one in five has been affected to some extent.

"Given the uncertainty on the political front, it is dubious whether the situation will improve in the foreseeable future, and whether the optimism of certain of these households will be justified," Research Surveys said.

UIF keeping its head above water

PRETORIA — The R1,1bn Unemployment Insurance Fund (UIF) is maintaining a balance between income and payouts in spite of the steady increase in unemployment over the past three years.

In the first six months of the year the number of applications for benefits averaged 70 000 a month compared with a monthly average of 64 000 for the whole of last year. The trend is continuing, according to a UIF spokesman.

However, the situation was being closely monitored and the fund's actuaries said there was no need for concern that the fund would have to dip into its capital reserves.

Another statistic reflecting the increasing number of jobless is the number of

payments from the fund in the first six months of this year, which averaged 212 000. This compares with a monthly average of 200 000 during 1991.

In spite of the increased number of unemployed, higher earnings have compensated for any income loss.

The earnings ceiling below which workers are obliged to contribute is R54 000.

The employee and employer pay 0,9% each of the worker's gross earnings. Last year the average payouts totalled R103m and income about R116m.

A beneficiary is entitled to 45% of his last earnings for six months.

GERALD REILLY

Job losses paint a bleak picture

CAPE TOWN — In nearly one in five black households, at least one family member had recently lost his job, a public opinion survey conducted earlier this year has found.

The survey found that 19% of black households had experienced a family member's job loss because of retrenchment, redundancy or the employer's business closing down.

The results of the poll were released last week by Research Surveys.

It said it seemed that most of those retrenched had lost their jobs between February and May this year.

In most cases where the breadwinner had lost his job, other employed members of the family had been able to provide partial or complete support, but in one of three of these households there had not

been alternative support from other household members.

While 33% believed the position of breadwinners would improve over the next year, 18% thought it would get worse and 30% were unable to predict whether their circumstances would change.

"Although the majority of black metropolitan households do not appear to have been hit by the recession through retrenchment or redundancy, it is nonetheless disturbing to think that fully one in five has been affected to some extent.

"Given the uncertainty on the political front, it is dubious whether the situation will improve in the foreseeable future, and whether the optimism of certain of these households will be justified," Research Surveys said.

Political Staff

Struggle for jobs ~~2/12~~

THE National Co-ordinating Committee for Repatriation (NCCR) says it is unable to find accommodation and employment for 13 000 returned exiles. 335

NCCR spokesman Mr Mbulelo Musi said returned exiles also faced attacks, and 13 had been killed since February.

The most recent victim was returned exile Mr George Mashele, who was killed by a handgrenade explosion at his Vosloorus home.

His mother, Mrs Lilly Magosha, was hit by five bullets in the attack and later died.

Musi said the NCCR yesterday met senior police officers who promised to investigate the attacks as well as a recent raid on the Sebokeng reception centre for returned exiles.

In Cape Town, the NCCR regional director, Reverend Mxolisi Ndaba, said about 70 returned exiles were housed daily at the NCCR offices in Salt River. - Sapa.

Sowetan

22/7/92

PERSPECTIVES

A further article in a regular series on how the Independent Development Trust is using R2-billion of taxpayers' money to provide a better future for the very poor of all races in South Africa. **JOLYON NUTTALL**, IDT director of communications, reports.

Using people, not machines, works wonders

(335)
AUG 25/27/92

TREND-WATCHERS will have noted a dramatic change in recent months from a capital intensive to a labour-based approach to getting things made or built. Put in simple terms — machines are out, people are in.

What is more, the evidence is that, apart from creating desperately needed jobs, the move back to humans is having positive spin-offs.

I am pleased to record that this trend is becoming a fetish within IDT-sponsored projects.

First major signals about the potential for harnessing development programmes to the creation of jobs came from the construction of a primary school at Etwatwa, near Daveyton, on the East Rand.

Labourers were recruited from the community and trained on site. The school was built in 100 days. Of the total cost of R2.2 million, R800 000 went back into Etwatwa in wages.

Now examples are coming in aplenty from site-and-service developments being paid for by the IDT across the country. These initiatives are being reflected in a regular IDT newsletter which is sent to more than 100 developers so they can share the experiences of others. Thus, the trend is likely to spread.

At Vosloorus, in the Transvaal, there is a good case being made for labour-based construction methods. Machines are being used on the site project only where necessary. A combination of soil and dolomitic rock requires bulldozers to turn the ground.

But manual labour is being used for site clearing, trench digging, laying of pre-cast manholes and road surfaces with interlocking concrete blocks. The blocks are being used deliberately as an alternative to tar. They are made by labourers on site. The blocks cost more than tar but they require less maintenance.

IDT SCOREBOARD

Projects supported to date 331
Funds allocated R2 080 520 000
Funds "in the ground" R611 000 000

A total of 170 local workers have been recruited.

On the East Rand, the Katlehong Builders Association has been formed. It has 28 members and recently completed its first contract to build 50 toilets on a nearby Moleleki project funded by the IDT.

At Stutterheim, in the Border region, about 40 percent of the work on a project has been completed, using mainly labour intensive building methods.

The project has been divided into 29 areas of about 30 stands each. Initial contracts were divided between experienced contractors doing more skilled work, such as pipe-laying, and less experienced contractors doing less skilled tasks, such as backfill. Now all contractors do all tasks in a single contract.

At Kokozi in the Western Transvaal, the only machinery used in construction consisted of water pumps, compressors for compacting roads, and transport for delivery materials.

No fewer than 600 local labourers have been recruited. They prefer to work on a "piece-work" basis rather than for a fixed weekly wage. It allows them to work harder and increase their income.

Somehow, this momentum must be maintained. More projects must be developed, so that this newly acquired expertise can be put to further use.

The IDT is doing all it can to secure more funds to achieve just that.

● Note from the scorecard that the funds allocated to projects exceed the founding grant of R2-billion. This is where the interest earned on the grant starts to come in useful.

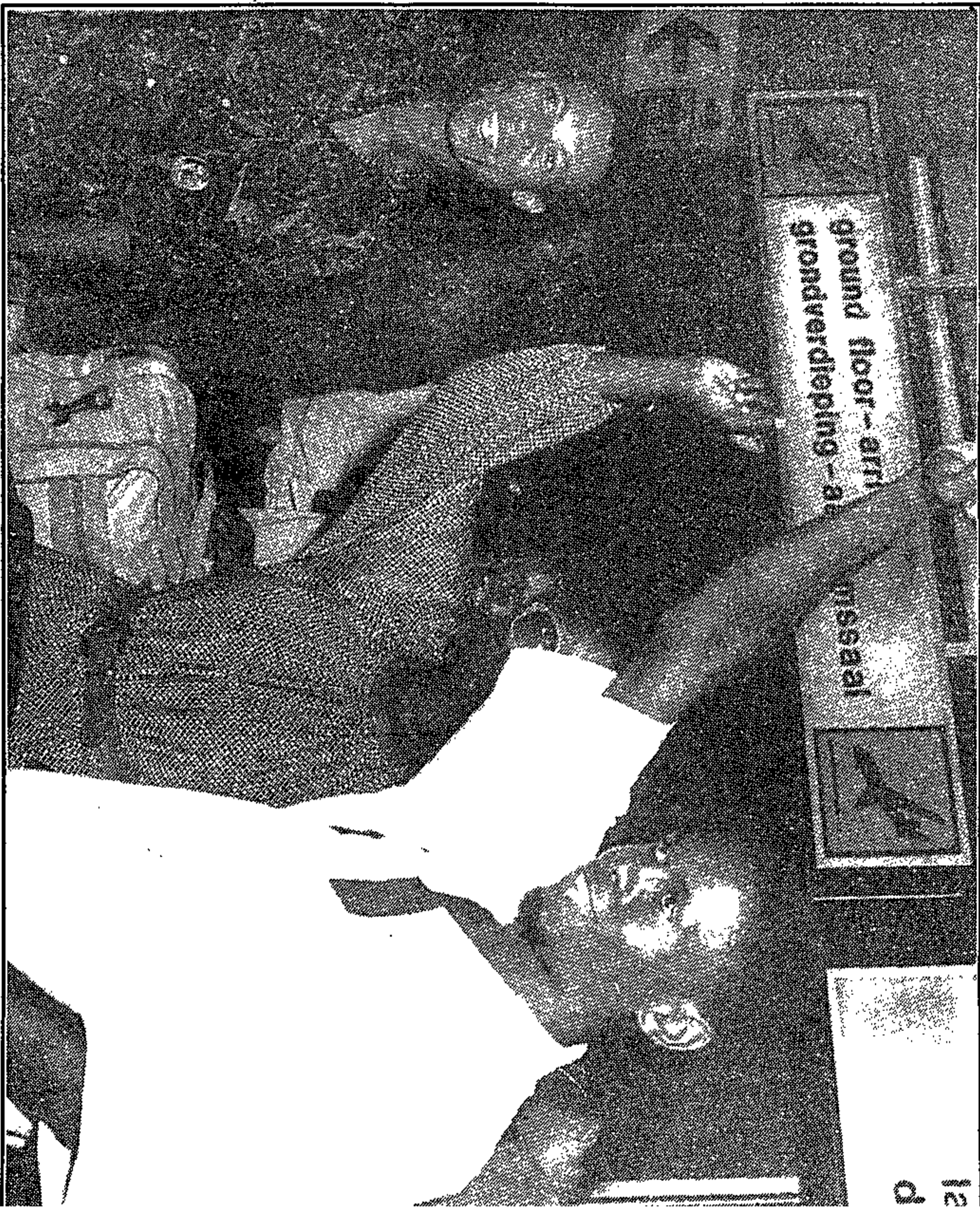
NEWS ANALYSIS *Thousands of qualified returnees are finding it hard to make ends meet*

“We have appealed to the Government to be sensitive. They are aggravating the situation instead of solving it”

Spokesman for the UNHCR



Jackie Selebi ... head of repatriation committee



FLASHBACK: There was joy all round when exiles started coming back home. But their joy was shortlived as many, especially the unskilled, are finding it hard to find jobs in the country as the unemployment rate continues to rocket. Even qualified people such as doctors and pilots, are walking the streets in search of work.



Returnees 'need another asylum'

Sowetan 27/7/92

335

Sowetan Correspondent

■ GRIM SITUATION *Highly-skilled*

people, including pilots, doctors, nurses,

engineers and architects are finding it

difficult to find jobs after returning home:

JOBLESSNESS AND HOMELESSNESS have become the scourge of thousands of returned exiles in the PWV area.

Political violence and uncertainty have added to their predicament.

The United Nations High Commission for Refugees, National Coordinating Committee for the Repatriation of Exiles and the ANC have expressed grave concern about the situation.

Those who experience serious problems in finding jobs include highly skilled and qualified people like doctors, nurses, pilots, engineers, architects and accountants.

Twelve pilots who qualified in Ethiopia found it hard to penetrate what is traditionally a white monopoly sector. Some have been told to start training from scratch despite having flown recognised hours internationally.

Previously, people who had trained in Eastern Bloc countries had problems in getting their certificates recognised.

NCCR information officer Mr Mbulelo Musi said the hardest hit were the unskilled and the semi-skilled, who were the majority of those returning.

The Government had not played its

part by contributing towards the intergration of returned exiles, except by providing three reception centres countrywide.

Spokesmen for the UNHCR, NCCR and the ANC said what made life even more unbearable for returnees was alleged police harassment - raids, arrests, detention and interrogation.

The hardest-hit area

Musi said there had been a displacement of many returnees in the Vaal Triangle, the hardest hit area. They were not able to live with their families and they had now become "internal refugees".

This grim situation affected mostly those between 17 and 25 years old, and they had become traumatised.

At least 13 returnees have died since February, most of them in the Vaal area. One returned exile has disappeared.

Musi said the Government now

wanted to take back the Sebokeng reception centre by the end of August in spite of the acute housing problem and unemployment.

"We have appealed to the Government to be sensitive. They are aggravating the situation instead of solving it. There are over 300 people in Sebokeng and the place is becoming congested with the daily arrival of exiles. Some are unable to find their families," he said.

A great deal of apathy

Head of the ANC repatriation committee Mr Jackie Selebi said major employer institutions had demonstrated a great deal of apathy towards the welfare of returning exiles.

"Some of the doctors and pharmacists have had a hard time with restrictions placed on them by the South African Medical and Dental Council. It is demanded of them to write exams and go through stringent tests before they can be registered," he said.

Space plan set to yield 13 300 jobs

Business Editor

IF Denel — the commercial company formed from the manufacturing operations of Armscor — goes ahead with its planned space programme it will provide 13 300 jobs in the Western Cape by the year 2 000, a senior executive said yesterday.

Jacob van Wyk, group executive director of the chemicals division, told a media conference that this meant a total of 44 000 people including family members would benefit from the space programme.

He said that at present 1 000 were employed directly in the space industry in the Western Cape. This would rise to 1 600 by the year 2 000.

This year 4 700 people are employed in industries and services supporting the programme. This will rise to 11 700.

Denel is currently trying to find a foreign partner to share the expenses of the programme, aimed at launching a satellite which will be used to transmit telephone calls and electronic data.

A spokesman said approaches to prospective partners in Europe had been favourably received, and their representatives had been impressed by the level of technology in SA.

The satellite would earn foreign exchange from countries using the service it would provide. "Demand is tremendous and the satellite would earn huge amounts. Countries are queuing up to obtain these services," Van Wyk said the Denel group had

been formed in April last year to use capacity and technology no longer needed now that SA was cutting down on defence expenditure and demand for arms was falling worldwide.

Its subsidiaries were already manufacturing consumer goods and materials for industry and it was self-supporting in the same way as Transnet, with no funding from the taxpayer.

"At the moment the capability of the Denel group and other organisations are being evaluated to assess the feasibility of running a space programme successfully and profitably in SA.

"To do this foreign alliances or partnerships are essential."

Van Wyk explained that a space industry was normally associated only with wealthy industrialised powers such as the US or France. "A very broad support structure is necessary to run a profitable project.

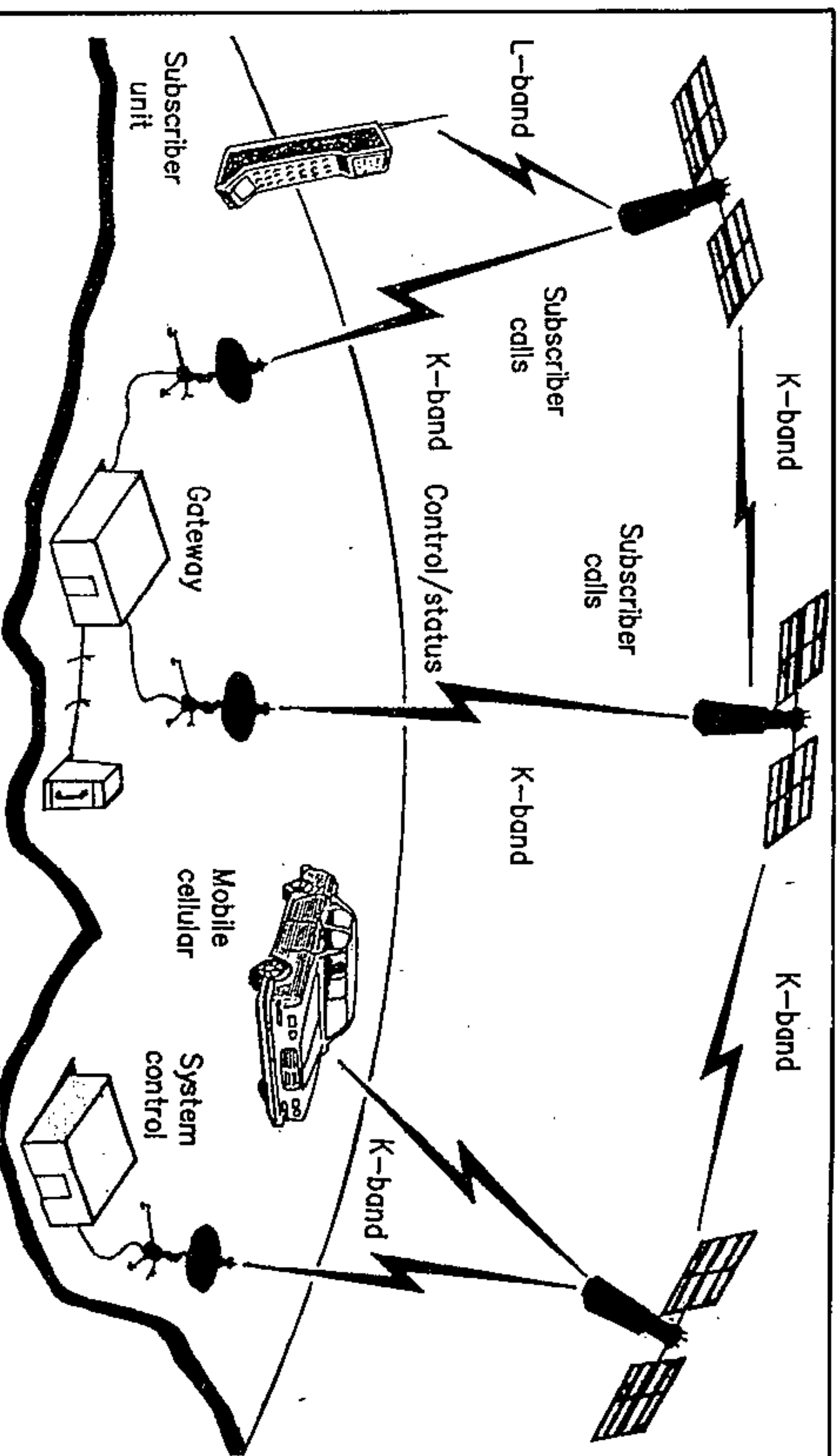
"It involves many industries and services which provide employment at all levels."

Because of this, and because of the influence a successful satellite programme would give SA in the rest of Africa, he was sure that any new SA government would be happy to allow a space programme to continue.

It already employed many people who were not white. The majority of employees at Somchem's Somerset West factory were coloured.

Van Wyk said that if the space programme succeeded it would be possible to earn R400 000 a year in foreign currency for each employee. The average annual turnover for 10 years was expected to be R565m.

Communication system overview



ABOVE: A graphic overview of the proposed Denel satellite communication system. The satellite, which will be used to transmit telephone calls and electronic data, would earn foreign exchange from countries using the services it would provide, a Denel spokesman said. "Demand is tremendous and the satellite would earn huge amounts. Countries are queuing up to obtain these services," **LEFT:** Denel group MD (chemicals), Jacob van Wyk, inspects a breakdown of the first planned South African-designed and built space rocket. He said it was hoped the rocket, which would have a 95% local content, would be launched within five years.

Picture: STEWART COLMAN

Dismissed

STAR 30/7/92

workers

battle on

The Transvaal Provincial Administration may consider the hospital strike over, but for the angry and bitter dismissed hospital workers who demonstrate daily outside Soweto's Baragwanath Hospital, the dispute is far from resolved.

They arrive at the start of the normal working day — about 7.30 to 8 am — and leave promptly at 3.45 pm.

They refuse to accept that they no longer work at Baragwanath Hospital.

So far, their almost two-month-long strike has brought the National Health, Education and Allied Workers' Union members no success.

No hospital official has come outside the gate to speak to them, nor to chase them away.

So they just carry on demonstrating, armed only with persistence and determination to get their jobs back.

Other hospitals in Johannesburg, by contrast, were quiet yesterday. — Staff Reporter.

LABOUR BRIEFS

Wage deal at Implats

WIM 31/7-6/8/92
■IMPALA PLATINUM circumvented Bophuthatswana's anti-union laws this week and concluded a wage agreement with National Union of Mineworkers representatives. Implats and members and Central Council of Worker Representatives — composed mainly of NUM officials — agreed on a 14 percent wage increase for Implats employees. South Africans union are banned in Bophuthatswana, but in order to avert wildcat strikes employers have recently been willing to deal with them on the provision that they adjust their names.

No end to hospital woes

WIM 31/7-6/8/92
■WHILE the National Education, Health and Allied Workers' Union continues to organise assistance for striking hospital workers, the Transvaal Provincial Administration insists the strike is over. The TPA has begun hiring new employees and claims only 1 000 of the 7 000 fired strikers' jobs have yet to be filled. Nehawu says its members are still on strike and has set up food halls, a strike fund and arranged free transportation for strikers.

Strikebusters to break stayaway

WIM 31/7-6/8/92
By SHADLEY NASH 335

A PRETORIA-BASED company called Strikebusters is promising jobs to the Port Elizabeth's unemployed during the tripartite alliance-led two-day stayaway next week.

In advertisements placed in Port Elizabeth newspapers under the headline, "Strikes Cost Millions", the company called on businesses to "reserve your alternative workforce now and prevent production losses".

The five-week-old company is gearing up for the proposed two-day stayaway and said some 4 000 unemployed Port Elizabeth residents have made job inquiries with it.

The company has an office at a secret location in Port Elizabeth from which it is doing its placements telephonically, says company director Josh Louw. He said the main task of the office was to act as a "mobilisation centre" from where job candidates could be placed.

An industrial relations observer warned, however, that such action was "dangerous strategy" and would whip up emotions in an already tense situation. — Pen

Jobless 'will soar further'

Finance Staff *STAR 6/8/92*

Unemployment will soar even further in the next 12 months as the recession looks set to continue into 1993, says Nick Barnardt, chief economist at the Afrikaanse Handelsinstituut.

At the national congress of Fedhasa in Cape Town yesterday Mr Barnardt warned: "After probably already having risen by more than a million in the past three years, the total number of unemployed is set to swell further by close on 500 000 within the next 12 months."

South Africa had reached the point where the economic situation was tantamount to a state of emergency.

"Emergency measures are required to stop the downward economic spiral, relieve poverty and to create a refuge of last resort for the unemployed."

He called on all political and economic players to co-operate to address the economic state of emergency.

Joblessness set to soar, says AHI

CAPE TOWN — The numbers of unemployed were likely to swell by about 500,000 people in the next 12 months because of the possible continuation of the recession into early 1993, Afrikaanse Handelsinstituut (AHI) chief economist Nick Barnardt told delegates to the annual Fedhasa congress yesterday.

Barnardt said the economic situation had reached a state of emergency and measures were required to stop the downward spiral, to relieve poverty and to create a refuge of last resort for the unemployed.

He estimated that the number of unemployed had risen by more than 1-million over the past three years. He added that the projected increase in the number of unemployed over the next year would follow a rising number of liquidations, business closures and retrenchments.

Personal disposable incomes and corporate profits were at their lowest levels in 20 years.

Barnardt attributed the short-term continuation of the recession to, among other things, the high inflation rate, the poor performance of the world economy, the drought and political turmoil.

Significant political changes in the next 12 months, occurring within the context of higher unemployment and even deeper poverty, carried with them "an acute risk of an accelerating slide into violence, crime and instability which could eventually threaten the foundations of society".

He said active and constructive co-operation between the country's major political players and the major

economic ones was required in order to address the economic emergency.

Political negotiations to create a government of national unity should resume as soon as possible and the economic forum should begin without delay to devise short-term emergency measures including poverty relief and a job creating infrastructural or public works scheme.

On a positive note, Barnardt said the recession had had a beneficial impact on the balance of payments, the exchange rate, inflation and interest rates.

These would continue improving for at least two years and there was little risk of domestic financial instability during this period. Barnardt believed the CPI inflation rate could fall to about 8% by mid-1994.

These financial improvements would exert a positive influence on the business cycle, which should begin to move upward during the first half of next year. After a slow and gradual start it would probably accelerate during 1994 and 1995 and at least into the early part of 1996.

Barnardt warned that a future government of national unity might fall into the trap of thinking that with the upswing, the country's economic problems had been solved. It could begin to overspend and fail to apply financial disciplines.

□ Franschoek restaurant owner John Huxter of Le Quartier Francais won the Fedhasa Award for the most innovative marketer yesterday.

LINDA ENSOR

Jobless set to swell by further 500 000

By Sven Linschoten 335

Business and consumer confidence took a pounding in anticipation of the mass action campaign and this is likely to delay the economic recovery into early next year.

As a result, economists now fear that the already huge numbers of unemployed — some estimates exceed five million — could swell by a further 500 000 over the next 12 months.

Two surveys conducted this week by the SA Cham-

ber of Business (Sacob) and the Bureau for Economic Research (BER) indicate that confidence among SA businessmen and black consumers plummeted in anticipation of the mass stayaway.

Sentiment had been eroded by the continued political impasse after the Boipatong violence as well as recent evidence that the economic recession was deepening.

Chief economist at the Afrikaanse Handelsinstituut Nick Barnard warns that unemployment, "already having risen by more than a

million in the past three years, is set to swell further by close on 500 000 within the next 12 months."

South Africa was at a point "where the economic situation was tantamount to a state of emergency".

Sacob yesterday said its Business Confidence Index had fallen by 0,7 points to 90,1 — its third successive monthly decline.

"In anticipating the mass action, there has been widespread concern in business circles that the economy will continue to be used as a po-

litical battleground and irreparable damage will be done to its growth potential," Sacob chief economist Dr Ben van Rensburg said.

Potential foreign investors were shying away and domestic investors were also sitting out the transition period until businessmen were confident negotiations would lead to stability.

"The single biggest boost to business confidence will come as soon as the political parties return to the path of reconciliation and negotiation," he added.

A result of mass action could be a further erosion in the job-creation capacity of the economy. This would "exacerbate the already chronic unemployment problem still further".

Businessmen would try to limit exposure to stayaways by adopting capital-intensive production techniques.

In its survey the BER says the low confidence level of black consumers had the potential to delay the expected recovery in the economy.

In its latest consumer survey of metropolitan blacks,

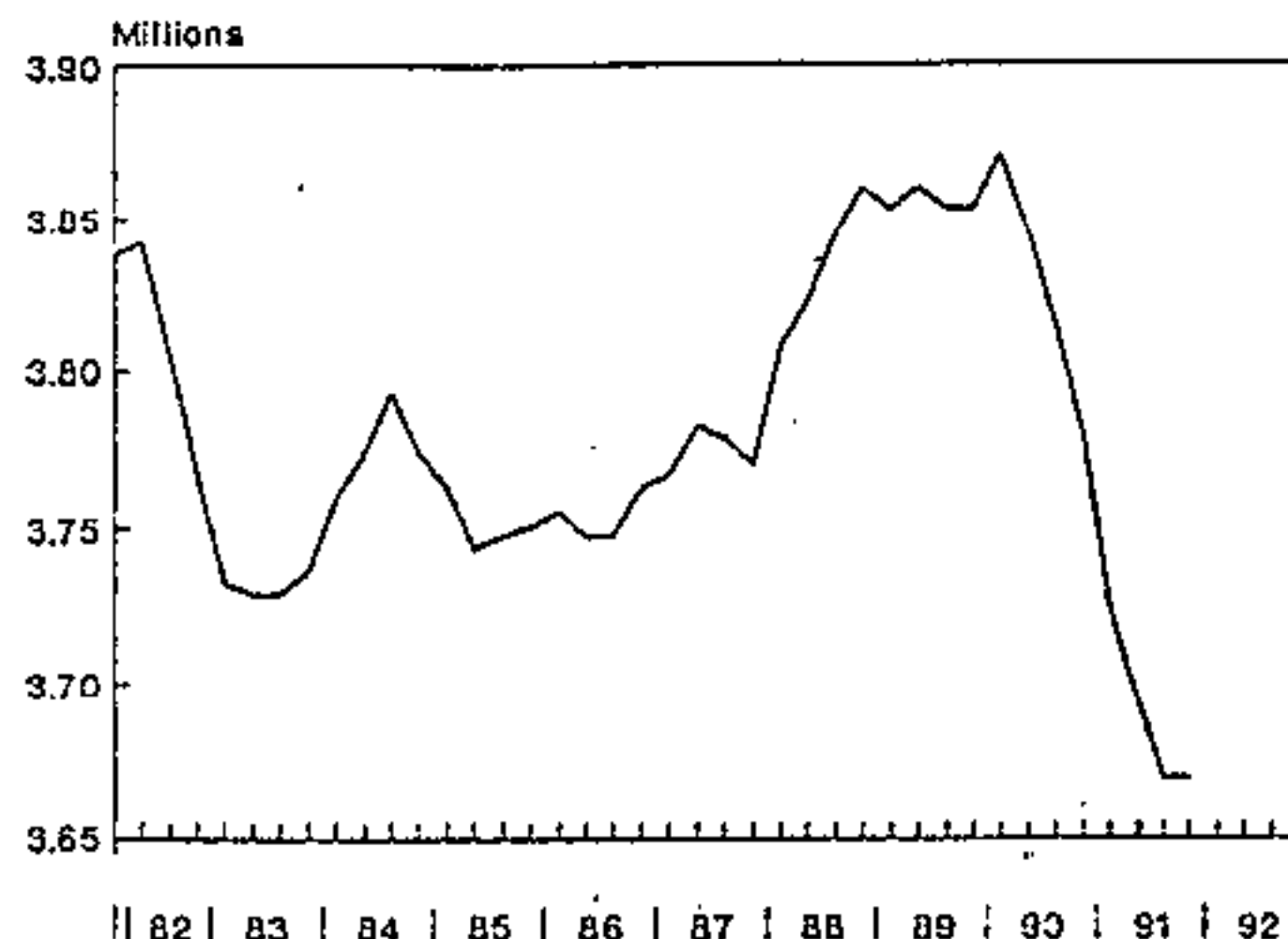
the BER says their low confidence would deter private consumption expenditure, which contributes about 56 percent to growth.

On the economic position in the next 12 months, the BER says black consumer confidence in the second quarter of this year decreased by 10 percent.

"A possible explanation for this relative decline in optimism — compared with relative pessimism in the previous survey — can be linked to the breakdown in negotiations at Codesa on May 15."

BUSINESS BAROMETER

w/mail 7/8 - 13/8/92
PRIVATE SECTOR EMPLOYMENT



A graphic view of what recession has meant for jobs

Source: Old Mutual

Mohr pessimism on next year

OLD MUTUAL chief economist Dave Mohr believes there is a real risk the present recession might spill over into 1993.

Writing in Old Mutual's Economic Review, he also said that if the economy does move into a recovery phase next year the upswing will probably be sluggish at first.

Mohr forecast real growth in gross domestic product of -1,5 percent for this year, a budget deficit of five percent or more of gross domestic product, a year-on-year consumer price inflation rate falling below 13 percent by December this year and further falls in interest rates.

... and a gloomy view of this year

THE already high rate of business liquidations and closures, and retrenchments and unemployment would probably rise further in the coming months, Afrikaanse Handelsinstituut chief economist Nick Barnardt forecast this week in Cape Town. Barnardt expected the downswing in the business cycle to continue for at least the rest of the year and possibly into the first few months of next year.

He predicted the number of unemployed, having already probably risen by more than a million in the past three years is set to swell by close on half a million people within the next 12 months.

Sactwu censured for march call

By GAYE DAVIS: Cape Town

HUNDREDS of clothing workers sacked after marching for higher wages under the banner of the South African Clothing and Textile Workers' Union (Sactwu) have got their jobs back — but the union has been rapped over the knuckles for "unacceptable" conduct in the affair and will have to forfeit union dues to employers for six months.

Arbitrator Sarah Christie found that children's wear manufacturer Dermal and swimwear maker Cygnet, both Seardel companies, had no right to dismiss 348 workers for taking part in the march without managerial permission. At the same time, she criticised Sactwu for trying to capitalise on the fact that Cape Town's city council and chief magistrate had granted permission for the march, to persuade workers that they could march because it was "legal".

This "raised confusion in the minds of the workers".

Plagued by stoppages prior to the march, both companies acted reasonably in forbidding workers to march on pain of dismissal, Christie found.

But the "crux of the issue" was that the march was sparked by a

dispute which arose during industry-wide negotiations on wages and working conditions — and not out of any specific dispute between either company and its employees.

Workers were faced with the difficult choice of either submitting to management or heeding their union's call for industrial action. "The single most telling point in favour of the workers at both plants is that they answered a union call to march," Christie found.

However, while the employers were not entitled to dismiss the workers, Sactwu's conduct in relation to the events leading up to the march was "unacceptable", Christie found. Sactwu was determined to go ahead with the march "irrespective of the wishes, the negotiations or any other circumstances which obtained" and the seriousness of this "cavalier attitude" was exacerbated by unprocedural action at both plants prior to the march.

Ordering the sacked workers' reinstatement without loss of service or benefits, Christie also ruled that Cygnet and Dermal would be entitled to dues which would have been paid by the workers to Sactwu for a period of six months, a sum

estimated by Sactwu and employer representatives to be about R9 000.

Sactwu assistant general secretary Ebrahim Patel said the award vindicated the union's position that employers had no right to dismiss workers for taking part in a march organised by a trade union — which should be seen in a different light to illegal stoppages not sanctioned by the union.

The union had also won out against employers' wishes to reinstate selectively workers with whom new employment contracts would be negotiated.

He said criticism of the union's conduct was "regrettable", and "not based on any argued facts".

Patel pointed out that Sactwu was not asked during arbitration to defend itself against the charge that it exploited the civil legality of the march.

Cygnet and Dermal have meanwhile voiced concern "that the award could be read to mean that employees can act in breach of their service contracts and put up as a defence that they acted on a call from their union — and that such a defence will hold", according to Johan Baard, Seardel's group industrial relations executive.

Drought threatening jobs

8/04-1 12/8/92 3350
UP TO 69 000 jobs could be lost in the agricultural and associated sectors as a result of the past year's drought, Agriculture Minister Kraai van Niekerk says.

He told the Northern Cape Agricultural Union annual congress in Kimberley yesterday that if it was accepted that the gross value of the agricultural sector in 1992 would be 14% lower than in 1991, the GDP growth rate would fall by 1,8% and 69 000 jobs would be lost in these sectors. When dependants were taken into account, more than 300 000 people were threatened.

Van Niekerk said other serious macro-economic consequences included a decline in agricultural production which could raise the inflation rate by 0,8%. The current account on the balance of payments

GERALD REILLY

could also be weakened. The need to import 4,6-million tons of maize at about R500 a ton would shrink the current account balance by about R2,4bn.

The financial obligations of farmers, farmer-associated undertakings and government would also increase. "The entire economy, already in the grip of a prolonged recession, will be further mauled."

Van Niekerk said some farmers blamed government for maintaining interest rates at an artificially high level. However, government did not dictate monetary policy to the Reserve Bank.

He said government had launched the most comprehensive aid package yet.

by the recession.

The business had assets of R1,5m against liabilities of R2,6m and various creditors, including the Receiver of Revenue, were pressing for payment.

Water supply ensured

EXTENSIONS costing R1,5bn would increase the capacity of the Rand Water Board's purification and pumping plant by an additional 1 200 MJ a day.

The board said it would be able to satisfy the increased demand — 4-7% over 10 years — by 1998.

REPORTS: Sapa-AFP, Business Day Reporters.

650 Samcor workers to be retrenched

THE SA Motor Corporation (Samcor) would be retrenching 650 workers from its plants in Pretoria and Port Elizabeth this month, Samcor chairman Spencer Sterling said yesterday.

In a statement, Sterling said deteriorating economic conditions and falling vehicle sales had necessitated the move. *BIDA 7 12/8/92*

July car sales figures, released by the National Association of Automobile Manufacturers earlier this week, indicated a drop of 8,2% compared with July 1991 and a 0,9% fall on June 1992's figures.

ADRIAN HADLAND

Sterling said the retrenchment of 650 hourly paid employees, out of a total of about 4 000, would facilitate a return to a normal working week for the remaining employees. *335*

A Samcor spokesman said salaried staff had not been affected by the restructuring.

He added that manning level adjustments and retrenchment packages had been accepted following discussions with motor industry trade union Numsa.

New Iscor plan to limit capital expenditure

ISCOR's massive capital expenditure programme of the past four years has come to an end.

A new plan, approved by the board last week, focuses strongly on limiting capital expenditure during the next four years, providing only for the essential replacement and maintenance of production facilities, and on controlling working capital to reduce the current debt situation.

Finances and business services GM Louis van Niekerk said yesterday borrowings were running at more

BIDA 7 12/8/92
PETER DELMAR

than R2bn and the interest bill had climbed to R400m a year. Capital expenditure in the past few years had amounted to R4bn. In the past two years it was R2,2bn.

A new electro-galvanising line at the Vanderbijlpark works was commissioned last week. The only other major project outstanding is the modern continuous casting facility at its Pretoria works, due for completion later this year. A major capital

project under investigation by Iscor and the IDC — a R2,8bn steel mill — was likely to be commissioned only in 1997, if given the go-ahead.

Van Niekerk said that while interest had grown from R100m two years ago and R275m a year ago, it had been expected to peak at the current level. For the six months to December it was R218m.

He said Iscor's ability to raise permanent capital was being inhibited by its depressed share price, which stood at 113c yesterday.

Ranks of jobless millions swell as country fails to provide work

(335) AFG14/8/92

Economic tails spin

TOM HOOD, Business Editor
and Angus Correspondents

THE South African economy is in a tailspin, with unemployment rising when the country should be providing work for jobless millions.

The economy sustained its most serious blow of the recession yet in the April to June quarter when the gross domestic product (GDP) — the value of goods produced — fell by 2,6 percent on an annualised basis.

The fall confirmed the deepening of recessionary conditions that took hold in the second half of 1989 and got worse

Businessmen believe the sharp fall in activity could speed up the decision by the Reserve Bank to cut the bank rate by a further percentage point, provided inflation continues to decline.

The quarterly decline is bad news for growth for the full year, with analysts predicting the economy could shrink by well over 1 percent, compared with negative growth of 0,6 percent in 1990 and 1991.

The Central Statistical Service, which disclosed the GDP figures yesterday, says the quarterly fall was largely

last year.

Meanwhile, investors in the stock market and unit trusts saw millions of rands wiped off the value of their investments again yesterday as the slide in prices on the Johannesburg Stock Exchange continued.

More bad news, in the form of a sharply lower gold price and a big drop in platinum prices, depressed sentiment and sent investors hurrying for cover.

In four days platinum has fallen more than 6 percent to \$351,75 an ounce, silver 3,5 percent to \$3,81 and gold over 3 percent to \$337.

Mr Rob Lee, an economist at The Board of Executors, believes a further 20 percent drop in the gold price is not impossible.

Investment manager at Sanlam, Mr Ronnie Masson, said the drop in De Beers profits shocked the market and sent sentiment into a nose-dive.

The De Beers results, he said, forced the market to realise that future prospects of an economic recovery locally and abroad were further away than expected.

In the fourth quarter last year, GDP (at constant 1985 prices) fell by 0,6 percent.

But the decline accelerated to 2 percent in the first three months of this year and to 2,6 percent in the second quarter.

caused by declines in agricultural production stemming from the drought.

But even if agriculture is excluded from the calculations, GDP would have shown negative growth of 0,7 percent in the second quarter.

● The crippling recession was taking a huge toll in the racing industry, said out-going Cape Turf Club chairman Mr Rex Kirton at the club's annual general meeting last night.

He cited the recession as one of the major causes of the club's R5,5 million net loss this year.

● A collection of paintings, rugs and sculptures belonging to Persian carpet collector Mr Shra Ga Vidavsky fetched fire sale prices at an auction in Cape Town last night.

Auctioneer Mr George Britz said the low prices, 50 percent below market value, were a result of the recession.

DISMISSAL cases in the Industrial Court and Labour Appeal Court have increased sharply, writes ADRIAN HERSCH.

Statistics compiled by Van Zyl, Rudd & Associates show that challenges to dismissal in the first six months of this year more than doubled compared with the same time last year. *Times (Buss)*

Continuing recession means that employees are becoming more determined to keep their jobs. *16/8/92*

Sackings contested

But most cases relate to industrial court powers and functions — which could result in a move to arbitration.

Brian van Zyl says the Labour Relations Act (LRA) — as it now stands — presents problems about the jurisdiction of the industrial court.

Mr Van Zyl says the restructuring of the LRA is expected to deal with these prob-

lems. *(335)* He predicts that until there is a new LRA the parties will make greater use of arbitration because they are able to agree on its jurisdiction.

In the first six months of 1992 the National Union of Metalworkers of SA (Numsa) and the SA Commercial Catering and Allied Workers Union (Saccawu) were involved in most of the labour court cases.

Minister Chris Stals.

programme (SAP) which has

each cheque

Union action to reinstate 100 sacked over stayaway

THE South African Clothing and Textile Workers' Union (Sactwu), is launching a major campaign for the reinstatement of about 100 workers who were dismissed for taking part in last week's mass action campaign. (335)

The union's regional co-ordinator, Mr Ronald Bernickow, said this week that six clothing manufacturers out of a total of 400 in the Cape Town area had dismissed about 100 workers. (192)

S A Cap and Shareen Knitwear had dismissed 65 people, Maxmore Knitting Mills three out of 85 who had taken part in the march, H K Manufacturers 21, Teeny Tages nine and Alpa Rose 20. *SI Times [Cape to] 16/8/92*

"We are convening meetings with the factories' major customers, including Woolworths, Edgars and Pick 'n Pay to persuade them to take a stand," Mr Bernickow said.

The union would also try to meet with the employers concerned. There would also be pickets and demonstrations at the factories and at the offices of their major customers.

"The alliance partners are also drawing up a blacklist of companies which will be launched internationally," he said.

Eskom set for jobs cut-back

CT 17/8/92 335

From PETER DELMAR

JOHANNESBURG. — Eskom will soon cut several hundred professional posts or transfer incumbents from head office to power stations.

Confirming the group had decided on major restructuring, group engineering manager Andrew Dickson said at the weekend rationalisation of the workforce had already begun.

This was occurring because Eskom was nearing the end of its 10-year, R50bn construction programme.

"The opportunity is now being taken to focus the group's engineering resources on the effective technical support of the operating plant," Dickson said. To achieve this refocusing, fully fledged engineering departments were being established at power stations.

The existing generation technology department at Eskom's Megawatt Park — which employs about 700 people, about half of

them in professional capacities — would be scaled down to a "core" of specialists and technical consultants.

"In this way a substantially increased engineering resource will be made available on site to manage the life cycle of the generating plant," Dickson said.

He said a number of functions would no longer be carried out in-house and "a number of redundancies" are expected.

"The civil and building division, consisting of architecture, civil engineering and quantity surveying, has been worst affected by the rationalisation. In future no significant architectural work will be performed in-house. Only an informal client capability will be retained."

The architecture department employs about 50 architects and draughtsmen.

Dickson said the bulk of civil engineering and quantity surveying work would be performed at the power stations, with a relatively small core of specialists re-

maining at Megawatt Park.

Generation group human resources manager Gawie Horn said although Eskom employment contracts stipulated staff could be employed anywhere in SA, "when we do send people to the gramadoelas, we will look at the compassionate grounds".

Eskom followed a policy of no forced retrenchments and affected staff were encouraged to accept positions in other groups in Eskom where needs arose.

"Concurrent with this policy, Eskom has made available a variety of voluntary options to staff members. These include applications for separation packages, early retirement, retraining and relocation.

"Eskom needs to ensure that it retains the necessary skills for its operations and applications for the above options are subject to these constraints.

Last year Eskom reduced its workforce from 50 000 to 46 600. It is expected the other operating groups will be similarly affected.

Sasol warns of possible job losses

3/10/87
17/8/87
PIEK HARTFORD
335
AN ESTIMATED 1 500 Sasol workers could be "affected" over the next few months by cost-cutting measures to ensure its economic viability, Sasol's Lee-Anne Goodman says.

But Chemical Workers' Industrial Union (CWIU) assistant general secretary Muzi Buthelezi has warned that any potential retrenchments would now go through a joint panel.

Goodman said Sasol was doing everything in its capacity to minimise forced retrenchments.

This included shortening the working week, introducing half-day posts and offering voluntary retrenchment and early retirements, she said.

Employees being retrenched who had their home loans guaranteed by Sasol, had 90 days "to relieve Sasol of that obligation", Goodman said.

Meanwhile, Sasol has threatened to sue Buthelezi for libel. Buthelezi is alleged to have said Sasol management was behind "attacks and killings" of its members. And the Goldstone commission is to be asked to investigate CWIU allegations that CCB and Inkatha hit squads are operating at Sasol.

More than half of Penrose's staff axed

210A4 18/8/92
PENROSE Holdings, the JSE-listed printing services group, retrenched more than half its staff last week as part of a restructuring of operations.

It appears that Penrose's difficulties were compounded by a number of acquisitions in recent months. Penrose acquired interests in Jonathan Ball Publishers on April 1, Adlink Publishing on May 1 and Who's Who of SA on June 1.

Executive chairman Jackie Mekler would not comment late last week when asked about the retrenchments, and referred Business Day to MD Jerry Thompson. He, too, would not comment, though earlier in the week he had said no retrenchments would take place.

EDWARD WEST

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One of the retrenched employees said 80 of Penrose's 140 staff had been laid off. He said the company's litho, typesetting, quality control, transport and mailing operations would be shut down, and more than half the printing and colour machining operations would be closed.

Last year a consortium comprising Nasionale Pers, Tollgate Holdings and Hoskens Consolidated took control of Penrose. The group was untraded on Friday but its shares were quoted at 40c — midway between the high of 70c on December 31 1991 and the low of 26c on August 7 1992.

JSE chief warns on joblessness

By Tom Hood

STAR 18/8/92
(335)

CAPE TOWN — Unemployment is getting so bad that the Government must act quickly to stimulate the economy, says Roy Andersen, new executive president of the Johannesburg Stock Exchange.

He said the authorities resisted stimulating the economy because they feared inflation would increase and any upturn would soon peter out.

He had supported this view until two weeks ago. But now, because of high unemployment and the potential for unrest, he believed efforts must be made in spite of the risks.

"We now have the International Monetary Fund (IMF) as banker of last resort, which we did not have before."

The issue facing the country was not whether the gold price or the JSE overall index were going up or down.

The issue was about the man in Soweto who had been laid off and had a family of eight to support.

It was estimated that only seven out of 100 matriculants last year had found jobs in the formal sector.

"We cannot afford to wait much longer to stimulate the economy. We have to reduce interest rates and the income tax rate."

"Foreign exchange controls must also be lifted if we want to attract foreign investments — they are a major barrier against foreign investment."

Mr Anderson was guest speaker at a dinner held by the Department of Accounting at the University of Cape Town.

Millions on move in search of jobs

BIDAY 20/8/92

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RAY HARTLEY

AS MANY as 2-million South Africans are in transit between rural and urban areas in search of employment and housing at any given time, Development Bank of Southern Africa demographer Johan Calitz said yesterday.

Calitz said migration had increased due to declining agricultural self-sufficiency because of the drought in the homelands and growing unemployment in urban areas.

Nearly half the total — up to 900 000 people — were moving to and from the PWV, while some estimates said 600 000 people were on the move between the Transkei/Ciskei area and Cape Town, he said.

A further 500 000 were of no fixed abode in the Natal region.

A movement of about 200 000 people to and from the PWV region would be considered normal under ideal circumstances, he said.

Calitz said no accurate statistics on population migration had been possible in the past because people had not told census collectors about those living on their property illegally.

On balance, urban populations were growing faster than rural populations indicating a general movement to the cities, he said.

The population of the Moloto area of KwaNdebele where many refugees fleeing the drought in the far northern Transvaal were thought to have settled, had grown five-fold to 244 000

since 1980.

Calitz said no accurate demographic information on the size and rate of expansion to settlements like Moloto was available and he knew of no monitoring group that was observing the growth of informal and squatter settlements.

The lack of accurate demographic information was hindering efforts by agencies like the DBSA to plan projects to cope with the growing influx of people.

Moloto residents interviewed yesterday said many people had settled there because survival in the homelands was no longer possible due to the drought.

The Moloto community relied on water from a single water tanker for their needs as there are no natural water resources left.

He said the number of people migrating to SA from neighbouring states such as Zimbabwe and Mozambique was growing.

The number of Mozambicans in SA now numbered about 5-million — about 2-million more than the 1985 figure. Figures for the number of Zimbabweans in SA were not available, Calitz said.

He said 2,8-million people would move to the PWV by the year 2005, and if the drought continued this figure could double.

Workers fired

AT LEAST 1 500 members of
the National Union of Metal-
workers 20/8/92 (335)

brief

workers of South Africa have been
dismissed throughout the country,
Numsa spokesman Dr Bernie
Fanaroff said yesterday.

This follows a wage dispute be-
tween the union and the Steel and
Engineering Industries Federation
of South Africa.

Worst hit are Boart Hard Metals'
534 employees who were dis-
missed yesterday.

A spokesman for the company,
Mrs Angela Carr-Lambson, said
the dismissed workers had until this
morning to re-apply for their jobs.

Fanaroff said Numsa had lined
up a series of pickets and about 20
000 workers would march on
Seifsa's offices today to demon-
strate their anger at the dismissals.

LABOUR

MASS dismissals have begun in the engineering industry as the strike enters its third week.

With no hope of settlement yet in sight, several companies have begun firing workers en masse while the National Union of Metalworkers of South Africa (Numsa) has threatened to intensify the strike with marches and pickets. The strike has also now spread to the Transkei and the Ciskei. So far about 1 200 of the estimated 80 000 to 100 000 strikers have been fired. Ruby Structural Engineering and Benicon Earthworms in the eastern Transvaal have fired 204 and 249 workers respectively. Anglo American Boart Hardware has fired its entire 800-strong workforce.

More dismissals are expected in the coming weeks as the recession's pinch compels employers to take a hard line. Many of the more than 3 000 employers affected by the strike are on the brink of going under as the recession deepens.

The Steel and Engineering Federation of South Africa last week rejected Numsa's revised demand of a 16 per cent wage increase. A meeting of employers last week resolved that the body would not budge from its 8,6 per cent offer.

Seifsa seems to be holding out for a court judgment declaring the strike illegal. Its case — which was thrown out by the Rand Supreme Court two

Striking Numsa Workers Sacked

As the engineering dispute enters its third week,

employers are beginning to

fire striking workers, reports

MONDLI MAKHANYA

21/8-21/8/92

weeks ago on the grounds that Seifsa did not have the legal standing to represent its individual members — is due before a full sitting of the supreme court bench today. The Chief Justice ruled it sufficiently urgent to have the appeal heard only two weeks after the application was lodged, according to employer sources.

So far Seifsa's legal moves have been frustrated by the courts. Besides the judgment against the federation two weeks ago, the Delanco company's interdict has been thrown out by the court as not urgent, and Anglo's Steeleedale Engineering application has been delayed. However, there have been other successful interdicts aimed at preventing strikers from



Bernie Fanaroff ... They're trying to crush us

intimidating non-strikers and temporary labour. Numsa's Bernie Fanaroff says the union has instructed members that while it is permissible to speak to strike-breakers, they must desist from baring them from factories. But police have, however, told workers at most factories to be 100m from the

place. Fanaroff says the firings at Anglo may mark the beginning of the corporation's mass firing strategy used to break the National Union of Mine-workers at Anglo mines during the 1987 strike.

"They are going to try to crush us in that manner, but it will not be easy because unlike the mines, this is highly skilled area," he said.

While the metal strike intensifies, 70 000 Numsa members have begun balloting in the motor parts industry, which includes filling stations, repair garages and parts dealers. Even if the ballot is successful in this sector, in which Numsa represents only a quarter of the industry, it is doubtful whether a strike can be sustained as workers are very sparsely distributed.

The motor assembly settlement nearly collapsed last Friday after Numsa and the National Automobile Association of South Africa failed to agree on the extension of non-wage aspects of the agreement to Toyota. The company had been exempted from the week-long strike because of agreements between the company and Numsa that industrial action would be suspended till November.

Durban workers have already staged two marches on the local Seifsa office in protest against Seifsa's Natal chapter's offer of only 6,4 per cent increases.

Jobs for only one in 10, says Sanlam economist

(335)

ARC 22/8/92

ALIDA DASNOIS
Business Staff



□ Mr Johan Louw

UNEMPLOYMENT is the most serious problem facing South Africa, with only one in every 10 entrants to the labour market finding jobs, says Sanlam chief economist Mr Johan Louw.

And it's not just a matter of waiting for the slump to bottom out — the problem is structural.

Unemployment has risen much more sharply in the current slump than in previous economic downturns.

"From the beginning of the downward phase to the fourth quarter of 1991, employment in the formal, non-agricultural sector of the economy fell by nearly 160 000 people.

"At the same time the economically-active population rose by about 300 000 people a year — with the result that more than a million people have not been able to find work in the non-agricultural formal sector during the past three years," says Mr Louw in Sanlam's latest Economic Survey.

A further 69 000 jobs could be lost because of the drought.

Rising unemployment is not just a cyclical problem, warns Mr Louw. It reflects a change in the economy's ability to absorb labour.

During the seventies, 72 per cent of new entrants to the labour market could be absorbed into the formal sector.

"By the eighties, this ratio had dropped to 22 percent, he says, and it has since declined so severely that "only about one in every 10 entrants to the labour market can be accommodated.

"Our ability to absorb labour has been dropping for the last decade. The main reason for this is the slow growth of the economy, though capital deepening has also played a part. Negative real interest rates and rising labour costs have encouraged capital-intensive production."

At the same time, like most developing countries, South Africa's population has been growing rapidly.

Previous downturns in 1981-83 and 1984-86 had less dramatic effects on employment partly because the world economy was then in a growth phase.

"But the main reason why the situation is worse this time is the length of the current downswing. After a certain period, if they don't see any prospect of an upswing in the immediate future, employers are forced to cut costs. And very often the first thing they do is retrench staff."

ough at present to hold the held on Monday.

ie

70 SABC staffers face cuts

335

CT 22/8/72

By IVOR CREWS

SEVENTY SABC staffers nationwide are facing retrenchments.

Informed sources yesterday said that jobs are on the line for 70 people, including 20 Cape Town staffers, following cost-cutting measures.

SABC management will be visiting the Sea Point offices on Monday to discuss retrenchment packages.

"Most of the posts affected involve staff associated with the TV news programmes unit and some TV producers have been told to either transfer to Johannesburg or accept retrenchment packages," one source said.

Mr D Esterhuyse, group general manager of Human Resources at the SABC in Johannesburg, yesterday said that retrenchments were taking place "continuously" and the SABC was constantly considering measures to cut expenditure.

"The salary bill is a major concern and people are being retrenched. Whether matters presently under consideration can be referred to as retrenchments on a big scale are debatable," he said.

Mr Esterhuyse said no finality has been reached. The SABC could not disclose details to outsiders because retrenchments were always subject to discussions with the individuals concerned and if necessary with a trade union.

It is claimed that the corporation will save R10,4 million next year if they retrench staff in the near future.

Jobs for only 8% of school leavers

(335)
CT 24/8/92

Own Correspondent

PRETORIA. — A record number of school leavers will flood the country at the end of the year, and there is little hope of more than a handful finding work in the formal sector.

South Africa's shrinking job market will be loaded with up to 400 000 new workers. Most will either have to find work in the informal sector or join the ranks of the unemployed.

Last year only 12½% of school leavers found work in the formal sector, economists said.

This year, according to Small Business Development Corporation managing director Dr Ben Vosloo, the figure could fall to around eight percent because of a shrinking economy that has continued to deteriorate in the past 12 months.

An Education and Training Department spokesman said 325 000 blacks had registered to write matric this year — up by about 40 000 on last year. Last year the pass rate was 41%.

The number of white pupils in matric classes earlier this year totalled 63 774 — 3 716 fewer than last year.

The spokesman said that last year there were nearly 900 000 pupils in Std 5 and 6. This year the number is nearly a million and, because of the state of black education, a sizable percentage of them will leave school and look for work.

Dr Vosloo said even if there was an upturn in the economy, the number of new jobs created in the formal sector would be insignificant.

The only hope was for those with the initiative to go along the road of self-employment.

He added that a positive effort was needed to develop an entrepreneurial culture in South Africa. This needed to be backed by adequate funding.

The SABC, in partnership with Nedbank and CCV TV, had launched a business enterprise development programme that would gain momentum in the next few months.

Dr Vosloo said it was high time businessmen, politicians, educationists and others made a concentrated effort to get the economy moving.

It was time, too, that "economic illiterate politicians" were taught basic economics and that political considerations were not allowed to overshadow economic growth.

Bleak outlook for job seekers

PRETORIA — The country will be flooded with a record number of school leavers at the end of the year, and there is little hope of more than a handful finding work in the formal sector. (335)

SA's shrinking job market will be loaded with more than up 400 000 new workers. Most will have to find work in the informal sector or join the ranks of the unemployed.

Economists estimate that only 12,5% of school leavers found work in the formal sector last year. BIDAY 24/8/92

Small Business Development Corporation MD Ben Vosloo believes the figure could fall to around 8% this year because of a shrinking economy.

A Department of Education and Training spokesman said 325 000 blacks had registered to write matric this year — up

GERALD REILLY

about 40 000 on last year's figure. Last year the pass rate was 41%.

But job-hunters will be from all school standards and not just matriculants. The state of black education means the drop-out rate will be higher than ever.

Vosloo said even if there was an economic upturn, the number of new jobs created in the formal sector would be insignificant. The only hope was for those with the initiative to create self-employment.

He said an entrepreneurship culture had to be developed in SA.

The SABC, with Nedbank and CCV TV, had launched a "business enterprise development programme" which would gain momentum in the next few months.

Job losses increase on economy's troubles

GERALD REILLY

JOB losses in the 12 months to end-March 1992 reflect the economy's severely troubled state, according to economists.

Central Statistical Service figures released yesterday show that 80 607 jobs were lost in the non-agricultural sector in the year — a 1,6% decline.

In the mining and quarrying industry total employment in the same period shrunk by 31 070, or 4,8%. In the non-primary sectors, the job losses amounted to 49 537 or 1,1%.

Average monthly salaries and wages at constant 1990 prices in the non-agricultural sectors decreased by 0,4%, and by 6,6% in the mining and quarrying sector. However, there was a marginal increase of 0,3% in the non-primary sectors.

Average salaries and wages at current prices increased to R1 524 from R1 408. At constant 1990 prices, the average declined to R1 208 from R1 293.

In the manufacturing industry, the number employed dropped to 1 409 822 from 1 441 118, and average salaries and wages at current prices increased to R1 982 from R1 725.

The construction industry was also hard hit with a decline in total employment to 378 300 from 396 300. Average earnings at current prices increased to R1 328 from R1 112.

Economists said the figures also indicated that South Africans were getting poorer with increased earnings falling behind inflation.

Glass SA to lay off 400 as restructuring starts

6/10/94 26/8/97 EDWARD WEST 335 0123

ABOUT 400 Glass SA employees would be laid off as operations were restructured to improve the group's price competitiveness, CE Rod Fehrsen said yesterday.

The restructuring followed the acquisition by Plate Glass and Shatterprufe Industries (PGSI) of a controlling interest in the R800m a year Glass SA after the withdrawal of Pilkington plc from SA in March.

Fehrsen said the domestic glass industry was becoming increasingly competitive, particularly after the lowering of tariff barriers for cheap foreign glass had put pressure on domestic prices.

The new structure would strengthen focus on specific markets, increase efficiencies and improve export competitiveness, he said.

Four new divisions would be established: PFG Building Glass, PG Glass, Automotive Safety Glass and PG Autoglass. They were formed by regrouping business units previously operating within the PG or Pilkington structures.

Restructuring included the consolidation of all building glass and processing operations on a single site in Springs and remodelling of the distribution division into specialist business units.

The building glass distribution division, PG Glass, planned to close unprofitable branches, open additional bulk distribution centres and rationalise management overheads, he said.

BUSINESS Black people are not emphasising the manufacturing and service industries

SOWETAN Thursday August 27 1992

Joint plan to boost the declining jobs market

Competition will foster a spirit of entrepreneurship in the townships:

By Joshua Raboroko

MORE than one million people - mostly blacks - have been added to the unemployment pool in South Africa in the past three years.

And an additional estimate of more than 60 000 jobs could disappear this year as a result of drought, Sanlam said in its latest economic report.

In an attempt to create job opportuni-

ties and solve the surging unemployment rate, *Sowetan*, Amalgamated Banks of South Africa, National Sorghum Breweries and Sanlam have come up with an idea to help the disadvantaged in the townships and other areas.

The idea is to develop a spirit of entrepreneurship in people in these areas so that they can create employment and get rid of the "dependence syndrome" from the formal sector.

For that purpose *Sowetan* has devised a business plan competition seminar that is to be held at the National Sorghum Breweries headquarters in Sandton, Johannesburg, on August 29 starting at 8am.

Another seminar is planned to take place at the University of the North on September 5.

Those interested can contact Omi Tshabalala or Agnes Maimba at (012) 342-2186 for more information.

The competition forms part of *Sowetan's* Nation Building campaign which aims to develop entrepreneurial skills.

The intention is to help create job

opportunities for disadvantaged people. Under the guidance of Mr Jackie Kola of Get Ahead Foundation, the competition will be designed to help all those wanting to enter business but have no resources.

Kola said the foundation, in conjunction with *Sowetan*, would run a series of lectures on how people could learn to draft a business plan.

The competition is sponsored by the National Sorghum Breweries to the tune of R40 000. Amalgamated Banks of South Africa (Absa) are contributing R50 000 and Sanlam R10 000.

There will be nine winners and prize money is R10 000 for each winner.



Jacky Kola

Numsa fears widespread sacking

By Thabo Leshilo
Labour Reporter

The National Union of Metalworkers of SA (Numsa) has expressed fears of widespread dismissals after Tuesday's interim ruling by the Pretoria Supreme Court declaring the strike in the iron, steel and metallurgical industries illegal.

The application was brought by the Steel and Engineering Industries Federation of SA (Seifsa). Mr Justice Myburgh said he was "satisfied it had been proved that a number of material irregularities occurred during the strike ballot".

Numsa spokesman Dr Bernie Fanaroff yesterday said management would "use the ruling as an excuse to dismiss workers at will". According to Numsa,

up to 1 500 members have already been dismissed since the strike began on August 3.

However, Seifsa spokesman Hendrik van der Heever said employers could not summarily fire workers. The court decision still had to be communicated to Seifsa members to inform the strikers of the order. Seifsa, he said, had been inundated with calls from companies seeking guidelines on what options they could take in view of the ruling.

Dr Fanaroff claimed that the ruling had tipped the scales of collective bargaining in favour of employers, thereby endangering the process. Numsa, he said, would meet today to evaluate the strike and report back to the strikers. Seifsa has already informed the union that

further negotiations would serve no good.

Dr Fanaroff said Numsa would ask the Congress of SA Trade Unions, of which it is an affiliate, to embark on a campaign to have the Labour Relations Act changed because it afforded workers no protection. "The court ruling effectively means that workers cannot even go out on a legal strike," he said.

Seifsa executive director Brian Angus charged that Numsa had failed its members by misleading them into an "undemocratic and illegal strike".

He estimated that workers had already lost R90 million in wages for the duration of the strike, which has caused more than R600 million in lost production.

Austrian tipped to head UN observers

Star Bureau

NEW YORK — A senior Austrian official in the United Nations bureaucracy is expected to be named to head the observer operation in South Africa.

Diplomatic sources said that Ferdinand Mayrhofer-Grunbuhel had been recommended for the post as special representa-

tive of UN Secretary-General Boutros Boutros-Ghali.

A former director of the office of Security Council affairs in New York, he was transferred to Geneva as deputy head of the office of disaster relief coordinator M'hamed Essaafi.

Under pressure from African and other UN members, Mr Boutros-Ghali is said to be will-

ing to choose more senior level officers in the Secretariat than he had planned. He is said to have been influenced also by the intention of the EC, the OAU and the Commonwealth to name senior representatives.

The 50 UN observers will serve in 11 districts to help ensure implementation of the National Peace Accord.

Jobless in bread protest

ABOUT 100 unemployed people entered the Blue Ribbon Bakery in Salt River yesterday and helped themselves to loaves of bread as employees of the bakery looked on. (335) CT 28/8/72

Mr Shaheed Mahomed, the Western Cape Regional secretary of the Unemployed Workers' Union, said unemployment was being ignored and the union intended to keep up the protests until there was "work for all or living unemployment benefits".

Earlier this month members of the union took bread and milk at the O K Bazaars in Adderley Street when they went to confront the management about the dumping of litres of milk.

Bakery raided to highlight poverty

SHARON SOROUR, Labour Reporter

ABOUT 100 unemployed workers "raided" the Blue Ribbon Bakery in Salt River to claim free loaves of bread as part of a campaign to highlight the plight of the poor.

They stormed the bakery yesterday and "helped themselves to a loaf or two or three", said Mr Shahied Mohammed of the Unemployed Workers' Union.

In a similar incident recently union members raided the OK Bazaars in Adderley Street and took bread and milk off the shelves without paying.

Mr Mohammed said that while some people would see these actions as "a crime", union members did not.

The union was not specifically blaming Blue Ribbon for unemployment, but the whole profit-centred system.

"People must come before profits," he said.

335

ART 28/8/92

Mass dismissals loom as court torpedoes strike

THE National Union of Metalworkers (Numsa) was dealt a deadly blow by this week's Transvaal Supreme Court judgment declaring the three-week engineering strike illegal.

The judgment potentially opens the floodgates for mass dismissals on a scale not seen since the 1986 mine strike. Already 1 500 strikers have been fired, while others have been issued with return-to-work deadlines.

The collective bargaining process in the industry may have also suffered a severe setback. Unionists are enraged by the judgment, which upheld the Steel and Engineering Federation of South Africa's (Seifsa) contention that Numsa did not comply with requirements for a free and fair ballot. The court's finding that Numsa's balloting procedures were peppered with irregularities rested on

allegations that there had been insignificant secrecy at the polls, that non-union members had been able to vote and that there was inadequate control over ballot papers, enabling some people to vote more than once.

"They were effectively arguing that the ballots were inadequate because they were paper boxes sealed with sticking-tape rather than padlocked metal boxes," said Numsa organising secretary Bernie Fanaroff.

Fanaroff said Seifsa's recourse to legal technicalities to break the strike "makes absolute nonsense" of the collective bargaining process. "We spend five months bargaining with Seifsa and in the end they set out to crush us with technicalities. What then is the point of collective bargaining?" he asked.

The union has also poured scorn on Mr Justice Myburgh's ruling that unions

While thousands of

metalworkers stand to

lose their jobs, the failure of

the engineering strike has

dealt a severe blow to the

collective bargaining process.

By **MONDLI MAKHANYA**

should provide registers of balloting workers—complete with identity numbers.

But the finding has significant implications beyond this dispute. In future strike ballots, unions will have to prove beyond doubt the validity of the strike votes.

The country's largest union may now have to find ways of retreating from the strike, involving close to 100 000 work-

ers, without much to show for it. Numsa has already revised its demand for a retrenchment moratorium and is now proposing a "retraining fund" for retrenched workers and is likely to moderate its 16 percent pay claim.

Seifsa has placed adverts in newspapers notifying workers that the strike is illegal, and posters to the same effect have been posted at factory gates.

If the dispute is not settled by the weekend, employers may begin dismissing. The key restraining factor will be a threat of solidarity action by other Cosatu affiliates.

The past three weeks have been bitter ones, costing several lives in addition to jobs. Employers are estimated to have lost close to R800-million in production, while workers have sacrificed an average of R1 000 each in pay.

"If workers return to work next week,

they will have lost nine percent of their annual wages, and in such a case the 8,6 percent increase (offered by employers) will be meaningless," said Seifsa economist Michael Macdonald.

The likely next step is a return to the negotiating table, where Numsa may trade the low wage offer for concessions on working conditions and the reinstatement of fired strikers. Seifsa is understood to be in favour of such a compromise.

But the worst fallout of the strike will come in the form of retrenchments in the months to come. Companies in the sector have been hard hit by recession, with about 2 000 jobs lost every month.

"I expect the retrenchment rates to be quite high in September, but the October figures will be very high as the effects of the strike start being felt," McDonald said.

By CIARAN RYAN

THE strike-hit steel and engineering sector will pay off up to 10 000 workers next month.

Steel and engineering companies are counting the cost of the Numsa strike which was declared illegal by the Supreme Court this week because of ballot irregularities.

The industry will lose between 7 000 and 10 000 workers in September, up from 2 400 in June, according to Seifsa economist Mike McDonald.

He says the industry will contract by 5% this year compared with 3% for the economy as a whole.

A total of 35 000 jobs were lost in steel and engineering last year, but the figure will be greater this year, says Mr McDonald.

The effect of the recession is reflected in Unemployment Insurance Fund payments by the Department of

10 000 jobs to go after steel strike

Manpower. They more than doubled from R563-million in 1989 to R1,2-billion in 1991. The figure will exceed R1,5-billion this year.

More than 50 000 farm workers will lose their jobs over the next 12 months because of the drought. Another 50 000 non-agricultural workers will lose their jobs over the next year, says the Afrikaanse Handelsinstituut (AHI).

The AHI's Nick Barnardt says: "One gets the impression that trade unions are not too concerned about unemployment. The fact that we have strike action in the

midst of a serious recession is highly abnormal."

The Reserve Bank annual report says only 186 000 jobs were created in the past decade. The economically active population increased by 3,3-million in that time.

The rate of unemployment is expected to accelerate in the next six months in response to recent mass action, the Numsa strikes and deepening recession.

The sectors hardest hit by the recession are manufacturing, mining and construction.

The number of formal-sector jobs grew by only 2,9% from 6,298-million to 6,848-

million between 1981 and 1991, according to the Reserve Bank.

Public-sector employment rose by 17% to 1,6-million and private-sector employment fell by 1% to 4,87-million in the 10 years.

Public-sector corporations, such as Eskom and Transnet, shed a total of 88 000 jobs between 1981 and 1991.

Employment in building fell from 389 000 in 1985 to 265 000 in March 1992.

Building Industries Federation of SA (Bifsa) industrial relations adviser Andre de Villiers says political uncertainty has put a freeze on construction projects. Large capital projects, such as Moss gas, have been completed.

Costs

Employment in mining fell from 760 000 in 1981 to 700 000 in 1991. The gold mines employs 148 000 fewer workers than the 541 000 in 1987, although the rate of job losses is slowing, says Chamber of Mines economist Francois Viruly.

"The mining industry started to cut back several years ago. Working costs, of which labour accounts for nearly half, were up only 1,6% last year."

A survey of 850 companies by Drake International shows that 14,5% of them planned to reduce staff numbers between September and August. In a previous survey for June to August, only 10,8% of the companies planned to reduce staff numbers.

21 000 lose jobs in four sectors

188 GERALD REILLY 335

PRETORIA — Jobs lost in four major employment sectors — mining and quarrying, manufacturing, construction and electricity — in the three months to end-April totalled nearly 21 000, Central Statistical Service figures released yesterday show.

Economists say this trend is likely to continue for at least the rest of the year. Even when the economy began to emerge from the recession, they said, it would be a while before the increase in unemployment slowed down.

Average monthly salaries and wages in manufacturing at end-May were R4 271 for whites, coloureds R1 299, Asians R1 911 and blacks R1 206.

3/10/92 1/9/92

NEWS Union claims 50 companies locked out or disr

Over 3 000 strikers sacked

Sowetan 2/9/92
■ Backlash to the month-long metal workers strike:

MORE than 3 000 members of the National Union of Metalworkers of South Africa (Numsa) have been dismissed from their jobs in an apparent backlash to the month-long strike called off at the weekend.

Hundreds of Numsa members were locked out of factories and other places of employment when they reported for work on Monday.

Mr Hendrik van der Heever, media spokesman for the Steel and Engineering Industries' Federation of South Africa (Seifsa), yesterday said he had no knowledge of the dismissals.

However, Mr Brian Angus, director of Seifsa said: "Where there have been dismissals, these were undertaken by com-

panies as a last resort to protect their business operations."

The Metal and Electrical Workers Union of South Africa has decided to continue with its legal strike action pending the outcome of its meeting with Seifsa today.

Engineering sectors

Numsa national organiser Mr Veli Mjako said the union received reports that 50 companies in the metal and engineering sectors were involved in either dismissing or locking out their members from the workplace.

He said: "Our information is that 1 500 Numsa members were dismissed before the strike was called off at the

weekend. "Of those, about 600 were fired from Boart Hard Metals factory on the East Rand.

"Another 1 500 workers were dismissed when they reported for work on Monday. "Other reports indicate that several companies have locked our members out of their companies for indefinite periods," Mjako said.

Numsa would release full details of the dismissals and the companies involved today.

Mr Les Kettledas, national secretary for collective bargaining, said Numsa regions were fighting the dismissal of their members. Mr Moses Mayekiso, general secretary of Numsa, on Monday warned of further confrontation with the employers if their dismissed members were not reinstated.

NEWS

Supermarket raid by jobless for free bread and milk⁽³³⁵⁾

SHARON SOROUR Labour Reporter *REC 3/9/92*
THE Unemployed Workers' Union continued its campaign for free bread and milk for the poor and jobless when about 150 members, including women, attempted to raid a Milnerton supermarket for food yesterday.

Police, some with rifles, arrived on the scene and closed the doors of Pick 'n Pay as the chanting, singing workers stood outside the store.

A union spokesman said negotiations had been conducted with the company for free bread and milk to be available at all the Western and Southern Cape stores and Pick 'n Pay had agreed "in principle".

Confused shoppers were allowed into the store one by one as the workers toyi-toyed outside the glass doors.

Store manager Mr Greg Ball was told by union members that they wanted bread and milk because they were unemployed and their children were hungry.

Two hours later, after telephone negotiations with union representatives and company national personnel manager Mr Kevin Wynne, Mr Ball agreed to make bread and milk available at the goods entrance of the store.

A delegation met the arrival of two trolley loads of bread and milk with disapproval, saying it was "not good enough".

Further negotiations ensued before they grudgingly agreed to accept the 120 litres of milk and 120 loaves of white, wholewheat and brown bread.

● Drastic cuts in State spending ● VAT exemptions reconsidered

Govt may lay off 30 000

By Sven Linsche and Helen Grange

The Government will introduce large spending cuts next year which could lead to 5 percent of public servants — about 30 000 — being retrenched, Finance Minister Derek Keys announced yesterday.

At a press conference, Mr Keys also hinted at the re-introduction of the VAT exemption for basic foodstuffs during the Budget in March next year.

He warned that the economy would not show a substantial improvement "unless the violence is stopped and a representative government put in place". Only

Budget over-run unlikely to push up interest rates — Page 14

then could the Government realistically address the problems of pursuing economic growth and tackling underdevelopment.

Mr Keys said the deficit before borrowing (the amount by which Government spending exceeds tax income) was rising far in excess of budgeted levels and could prevent a sound economic recovery.

The Government would not raise additional revenue in the current fiscal year, but had already set spending guidelines for 1993/4 for all Government departments. Government spending would be cut by 3 percent in real terms (after inflation) and all departments would be encouraged to raise productivity.

Mr Keys said this could entail the retrenchment of up to 5 percent of public-sector workers.

ment, the Public Servants' Association (PSA) said such a cut would lower morale among public servants, who had been concerned for some time about their future under a new government.

PSA chairman Hans Olivier said it would remain to be seen to what extent staff would actually be curtailed, since there were numerous posts unfilled at the moment.

Mr Olivier said his organisation supported a small, well-paid public service, but to date, salaries were far below those in the private sector.

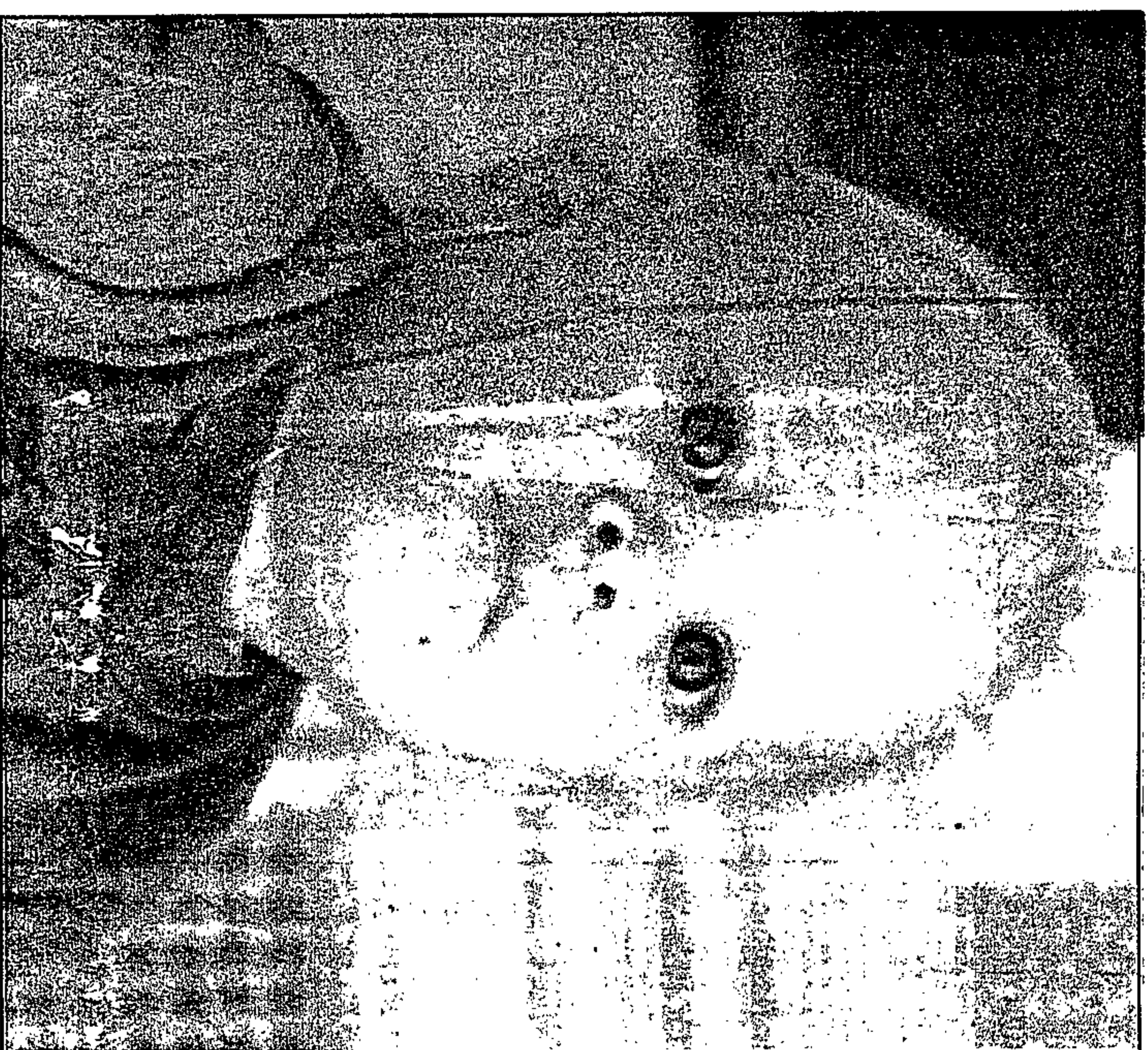
In reaction to recent calls for the exemption from VAT of basic foodstuffs, Mr Keys said it was not the Government's intention "to exempt large sections of the economy from the tax". But after discussions with the VAF Coordinating Committee and the Food Forum, "certain proposals have been made which are being studied with a view to finding common ground on the definition of basic foodstuffs."

"If these efforts are successful, they will be implemented next year," he said.

In a joint statement, the Afrikaanse Handelsinstituut and the SA Chamber of Business (Sacob) said Mr Keys's statement did little to build business confidence and failed to convey the urgency of the situation. The country faced a critical economic situation and there was an urgent need for gaining agreement on, and implementing, an economic reconstruction programme.

Sacob said it believed the National Economic Forum had an important role to play, and hoped the Government would take part.

The two bodies said they shared Mr Keys's concern about the growing Budget deficit. However, they saw "no specific measures proposed for reducing public-sector expenditure."



Toddler tragedy ... Derrick van Zyl, who was abducted in April and found wandering on the Soweto highway five hours later, was killed by a falling garage door on Wednesday. Picture: Ken Oosterbroek

Door kills toddler who made headlines

By Monica Oosterbroek

Derrick van Zyl, the toddler who made headlines when he was abducted from a shopping centre in April and dumped on a busy highway, died on Wednesday after a garage door crushed his skull.

The 18-month-old son of jockey Gavin van Zyl was playing in the garage when the electric mechanism failed and the door fell on his head.

The gardener found the boy and alerted Mr van Zyl, who immediately started giving his son mouth-to-mouth resuscitation.

He then phoned the Sandton Crisis Centre and stayed on the line while they advised him on procedures until paramedics arrived.

The boy did not have a heartbeat when the paramedics arrived, but they got his heart going again.

The child was airlifted to the Johannesburg Hospital but died soon after arrival.

Derrick survived an ordeal earlier this year when his mother, Shantelle (32), was shot in the face in the Sandton City parking area and a hijacker drove off in the family minibus with "erick in the back seat."

He was found five hours later, wandering along the Soweto highway.

Derrick's funeral will be held at the Mormon Church, Bryanston, at 2 pm tomorrow.

People come first in

(335)
MKG 4/9/92

union for the jobless

IT is a sign of desperate times when a 24-year-old man, the father of a toddler, is forced to depend on his mother for a livelihood, food and shelter.

But Tembinkosi Gondela, of Site C, Khayelitsha, shares a fate with millions of struggling South Africans: Joblessness.

He resigned from his security guard position on a Transvaal platinum mine because he could not bring himself to carry out orders — to act against fellow members of the National Union of Mineworkers — which betrayed his personal beliefs.

Tembinkosi arrived in Cape Town at the beginning of the year to join his family and has pounded the pavements every day, going from door to door, looking for a job.

"I applied for vacancies at financial institutions and even the Department of Manpower, but finally, I saw there was no job out there for me to ask for. I had to fight for one. So I joined the Unemployed Workers' Union," he said.

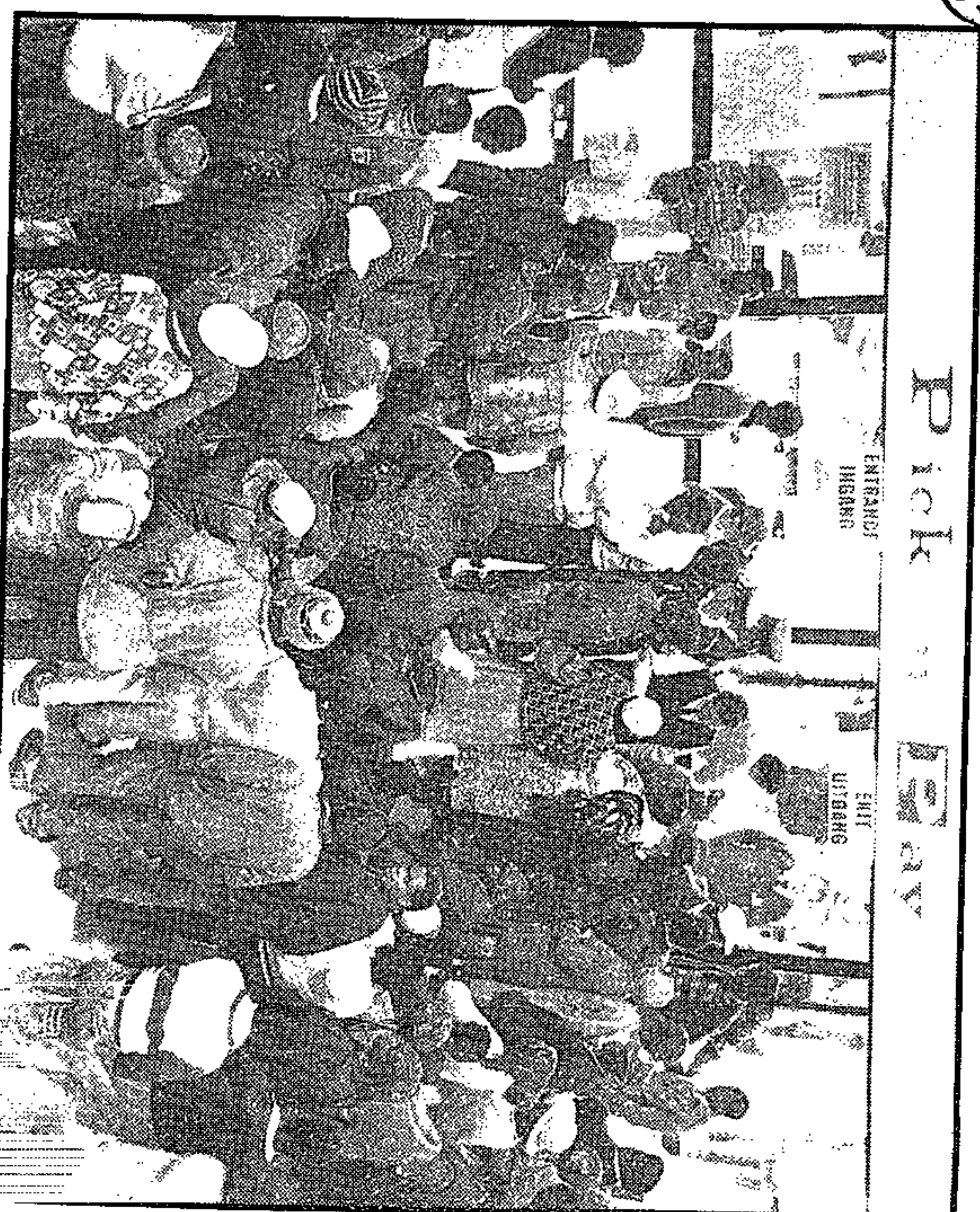
Having abandoned his search for work, Tembinkosi feels he has become even more of a burden to his mother, a char who supports his child, his two sisters and his aunt.

"But as acting assistant regional secretary, I have responsibilities in the union and I believe through my work here I am fighting for jobs for everybody else," he said.

His vision, jobs for all, is one expounded by the union.

Fighting the sweeping scourge of unemployment is a daunting task for an organisation with extremely limited and fluctuating financial resources. But there is an iron resolve within its ranks that although the fight is hard

SOARING unemployment and food inflation paint a grim picture of grinding poverty and starving masses at a time when the country can least afford it. But rising above the desperation felt by millions is the Unemployed Workers' Union, fighting for the rights of the poor. Labour Reporter **SHARON SOROUR** investigates.



TEMBINKOSI Gondela: Pounded the pavements every day, going from door to door, looking for a job.

Picture: DOUG PITHEY, The Argus.

THEir image is a symbol of the struggle for liberation worth their while.

It has already had remarkable successes even though it runs without fixed funds and money for projects and campaigns comes into its coffers in dribs and drabs.

It is also apt that the union has long fought its own survival struggle within the ranks of the liberation movement.

Based in the Western Cape, but operating as far as Plettenberg Bay, De Aar, Montagu and Ashton with a fluctuating membership of about 10 000, its recent campaigns for free bread, milk and medical care, and for work, are paving a survival route for the jobless.

Regional secretary Mr Shaheed Mahomed said while the bread and milk campaign has recently been intensified, it was launched as far back as 1989.

"We feel the poor should get free food and we have organised marches and have been to the ministers of finance and agriculture in this regard, but the aid that is set aside is hopelessly inadequate."

Only R220 million has been set made available by the government for poverty relief to rescue more than 10 million unemployed people from starvation.

The bread and milk campaign, where the members "raid" food stores and supermarkets for loaves and litres, is not an "unreasonable" one, the union charged.

The companies under fire, including Pick 'n Pay and OK Bazaars, had already been approached for free bread and milk for the poor. "Instead they sponsored the Olympics and the Paul Simon tour," Mr Mahomed said.

"They claim to have a liberal image, but when it comes to the crunch ..."

The union is negotiating with Pick 'n Pay for the supermarket giant to make bread and milk available to the jobless at all its stores country-wide — or at least in the Western Cape.

The response in Montagu, Knysna, Ashton and Robertson when the unemployed went into the stores to ask for bread and milk was different: "We were also given other foods like polony, 'farmers, who are right-wing politically, fought chickens in from their farms."



We see ourselves as part of the political struggle and mobilising the unemployed is our contribution.

In Plettenberg Bay the union's bread campaign was instrumental in organising free medical care for its card-carrying members (those who have paid the annual R2,40 membership fee) after several meetings with government and business.

Mr Mahomed said the union did not encourage its members to stay unemployed, or jump on the free food bandwagon. As an example, he cites its "Work for All, or "A Living Unemployment Benefit" campaign, which was started in 1988.

"Only if we can't get work, will we settle for

WHAT it's all about: ABOVE: Members of the Unemployed Workers' Union outside a Milnerton supermarket yesterday. LEFT: Food. A jobless man with milk and bread.

Pictures: LEON MÜLLER, The Argus.

the unemployment benefits."

The union has made several unsuccessful attempts to get a fundraising number but is not giving up and is to reapply after Pick 'n Pay agreed to pay for the required advertisements in Sunday newspapers.

"Unemployment flows from a profit-based system. We feel that people should be placed first, before profits, not only on a national scale but on an international level as well," he said.

Believing that unemployment should be fought on a worldwide basis, the union has links with the unemployment movement in Britain and is involved in moves to form a European unemployed workers organisation.

The union exhibits a policy of political tolerance: Anyone is welcome to join as long they are unemployed.

Former policemen and community councillors can become members, but are barred from becoming union employees or joining leadership structures.

Uniting all workers, employed and unemployed, is also one of the organisations' aims, specifically through "The Twenty Cents Campaign".

Mr Mahomed explained: "We believe this campaign will be our saving grace. We are asking all employed workers to give the union 20 cents a month.

Several other Cosatu and Nactu unions lend a hand financially, donating T-shirts for the union to sell, or fabric offcuts for its co-operatives.

The union also does its bit in return by discouraging unemployed workers from taking the jobs of other workers while they are on strike and entering factories to delay production to strengthen a strike.

Although the free-food-for-the-poor campaign will continue and intensify, the union insists it does not want hand-outs.

"We see ourselves as part of the political struggle and mobilising the unemployed is our contribution."

Retrenchment: the realities

Life after the golden handshake

Star 5/9/92 (335)

THE SUBJECT of retrenchment is never a pleasant one. Experience shows that while it is a fact of modern life, it is traumatic for employee and employer — and it is costly.

Often those involved are high-profile, in their middle-50s and unlikely to obtain positions of similar status.

An issue facing most employers is selection of the best tax and financial methods to help both employer and employee.

The amounts normally awarded on retrenchment, which may well vary, are as follows:

Transferable

1 Pension fund: In terms of the rules of pension funds, the normal award on retrenchment is a return of the employee's and employer's contributions together with interest at the pension fund's actual rate of return.

These funds can either be withdrawn by the recipient or be transferred to another approved pension or retirement annuity fund.

Regularly, in the case of young retrenchees, a favoured option is to

MARTIN McAUSLAND, personal financial planning manager at Price Waterhouse Meyernel, shows how you can make the most of a retrenchment package, including reinvestment and tax benefits.

transfer the funds to an independent pension fund allowing them to gain access to such funds before the age of 55, rather than to a retirement annuity fund.

Should the person not desire to place the funds in a pension or retirement annuity fund, but opt to receive them, tax implications are:

(a) The first R1 800 is tax-free.
(b) The remainder is taxed at his average rate of tax — the average rate of tax is normally lower than the marginal rate.

Nevertheless, should an incumbent withdraw his benefits, the loss in the long term should be measured against his:

(a) Present taxation liability.
(b) Present liquidity requirements.

(c) Loss of retirement benefits.

It is accepted that most South Africans suffer from an acute lack of retirement capital. Withdrawal of pension benefits results in a shortage at retirement years.

Should a recipient wish to be paid out his pension benefits, on withdrawal, a Form "D" will have to be prepared.

In the case of a transfer from the existing pension fund to another pension or retirement annuity fund, all that is required is a form that such funds are to be transferred.

Finally, in the case of staff with more than 10 years of service, it is usually possible to remain at the present fund as a deferred pensioner. Most pension funds have this option.

Must be paid

2 Gratuities/lump sum payments: Normally accrued leave and other benefits payable must be paid to the retrenched employee. If accrued leave and other benefits are paid as a lump sum, this is taxed at the average rate of taxation. It's important to structure a package so that any non-pension-type cash amount is paid as a lump sum gratuity to avoid marginal-rate taxation and to be taxed at average-rate taxation.

In the case of male em-

ployees over the age of 55 and females over the age of 50, should rules of the pension fund entitle the recipient to retire at an earlier age, the Department of Inland Revenue normally allows an exemption of R30 000 from the lump sum awarded. Any excess over the R30 000 is taxed at the average rate.

Entitled

3 Medical aid: One regularly finds retrenchment does not entitle the incumbent to remain on the company scheme.

If the retrenched person is placed on early retirement, he would then normally be entitled to full medical aid benefits at a pensioner's contribution rate.

4 Motor vehicles: It seems customary to offer a company car which has been in the possession of a retrenched or retiring employee to him. The gen-

erally accepted procedure is to offer the vehicle to the employee at book value. However, there is normally a taxation implication in offering this benefit.

The taxation situation, briefly, is that the employee is taxed on the difference between the current market value of the vehicle, as established by two sworn appraisers, and the current book value.

If the retrenchment package is correctly structured, it is possible

to have value of taxed at average part of gratuity, the margin

5 Restrained awards: Companies to offer employee trade restraint, the excess than the

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Focus on syndica

THE next meeting of the Star will take an in-depth look at property syndicates as an alternative investment. The popularity of property syndicates has grown in recent years. But like all investments, there are rewards.

Come and hear all about property syndicates on September 24 at the Sandton Holiday Inn from 7pm to 9pm. Booking is essential so reserve your place. Cordev Marketing at (011) 483-3214/5.

The meeting is sponsored by Metboard.

EXPORTING IN A POST-SANCTIONS ENVIRONMENT

A special Star Survey on September 30

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The taxation situation, briefly, is that the employee is taxed on the difference between the current market value of the vehicle, as established by two sworn appraisers, and the current book value.

If the retrenchment package is correctly structured, it is possible

to have the taxable value of the vehicle taxed at the recipient's average rate of tax as part of the lump sum gratuity, rather than at the marginal rate.

5 Restraint-of-trade awards: Occasionally, companies are prepared to offer a retrenched employee a restraint-of-trade award. However, restraint payments are the exception rather than the rule.

In order to be workable, the company offering a restraint-of-trade

payment to an employee must be mindful of the fact that any such payment is not deductible by the company for income tax purposes.

Agreement

The disadvantage of a restraint award is that it must be made in terms of a written agreement curtailing the employee's working ability in relation to:

- (a) Nature of duties and operation.
- (b) Geographic areas.
- (c) Duration of such restraint.

Lastly, any restraint payment must be accompanied by a board resolution approving it, and the agreement, together with the board resolution, must be forwarded to the Receiver of Revenue.

There are many ramifications to retrenchment, and it is always advisable to seek professional advice.

Focus on syndications

THE next meeting of the Star Investors' Club will take an in-depth look at property syndications and their merits as an alternative investment medium. The popularity of property syndications has grown in recent years. But like all investments, there are risks as well as rewards.

Come and hear all about property syndications on September 24 at the Sandton Holiday Inn from 6 pm to 8 pm. Booking is essential so reserve your seat by phoning Cordev Marketing at (011) 483-3214/5.

The meeting is sponsored by Metboard.

Govt staff face axe

THE public sector faces a five percent staff cutback, Finance Minister Derek Keys warned this week.

Keys told a news conference in Pretoria: "To improve the position of each member of our growing population, we shall have to restrain the growth in consumption spending of government in favour of a much higher rate of fixed investment in new productive capacity."

About 30 000 people will be retrenched. (335) (230)

Keys said State President FW De Klerk had challenged heads of departments to see if they could improve productivity. (Green 6/9/92)

The minister also hinted that basic foodstuffs would be VAT exempt after the March 1993 Budget.

Workers plan to occupy premises

Wages deadlock bosses fired 1 000:

By Ike Motsapi

OVER 1 000 dismissed workers at Walter H Chipkins in Johannesburg were due to occupy the premises of the company and its subsidiary yesterday to demand that they be re-instated.

This decision was announced at a press conference held at the Johannesburg offices of the South African Commercial Catering and Allied Workers Union (Saccawu).

The targeted company is in Industria and its subsidiary, Patleys, is in Fordsburg.

The dismissed workers are all members of Saccawu.

Saccawu has also enlisted the help of other affiliates of the Congress of South African Trade Unions to help it with its mass action campaign against Fred Smollan Company where its more than 100 members have been on strike since August 21.

Wage increase

Workers at Fred Smollan demand a wage increase of R160 a month and a guaranteed 40-hour week for all employees.

Management has instead offered to cut wages and working hours by a third from 45 hours to 30 hours a week.

Yesterday, Ms Suzanna Harvey of Saccawu's legal unit said the union decided to embark on this action because "the bosses in collaboration with the Industrial and Supreme Courts" were insensitive to the plight of workers.

Harvey said the 1 000 members of Saccawu were dismissed at Walter H Chipkins and Patleys on June 15 this year after a wage deadlock with the company.

Abuse workers

Harvey added: "The company then dismissed our members under the pretext of retrenchments. Bosses are allowed by the courts to abuse workers and go free."

"The recent Supreme Court ruling against the National Union of Metalworkers of South Africa versus the Steel Engineering Industries Federation of South Africa has set a precedent that is going to make it difficult for workers to fight for their rights."

"We ask ourselves why the Labour Relations Act was instituted when courts have the powers to overturn it," Harvey said.

Jobless get milk of human kindness

335
ARCT 10/9/92

HENRIËTTE GELDENHUY
Staff Reporter

ABOUT 125 jobless were given free fresh milk and maas by a dairy after two hours of negotiation.

The Western Cape Unemployed Workers' Union members, who arrived at the Dairybelle factory at 2pm yesterday and demanded that free milk be delivered to 10 000 members twice a day, dispersed peacefully at 4.10pm after forming a queue and each being handed two 500ml cartons of milk and 500ml maas.

Dairybelle acting general manager Mr Thys van Vuuren promised that management would meet a union delegation for discussions.

During negotiations between Mr Van Vuuren and union leaders about 15 Dairybelle management staff watched enthusiastic protesters toyi-toyi, sing and shout slogans.

Some protesters waited behind iron gates facing Cochrane Avenue until 3.20pm, when management allowed security to admit them.

"We understand the problems of the jobless and we have always tried to keep the price of milk as low as possible and to make it accessible to all," said Mr Van Vuuren.

"But we are getting thousands and thousands of letters asking for help," he said.

Union spokeswoman Ms Nomalizo Mafenaka said the union's free milk demand was not unreasonable.

"We can hardly afford to buy milk and bread, the cheapest and most basic food products," she said.

The jobless seemed happy with the hand-outs and many said "thank you" in Xhosa before leaving.

"Something is better than nothing," said smiling union official Ms Margaret Sigonyela.

"Next time I'll ask for cheese," said Ms Nora Makanana, a single mother of three from Khayelitsha.

Dairybelle workers, members of the Food and Allied Workers' Union, "fully supported" the unemployed union members, said shop steward Mr Sixolo Templeton.



Pictures: ROY WIGLEY, The Argus.

ALL SMILES: Western Cape Unemployed Workers' Union members are clearly delighted with their free maas from an Epping dairy.

Peace Accord lauded for Mowbray school decision

JOHN VILJOEN
Education Reporter

SUCCESSFUL negotiations over the use of Tafelberg School in Mowbray proved the worth of regional dispute resolution committees set up under the National Peace Accord.

So said Professor Jaap Durand, chairman of the Western Province regional dispute resolution committee.

He was speaking after the announcement yesterday that Thandokhulu Secondary School in Khayelitsha would be able to use the school from October 1.

The Cape Education Department has found other premises for the education technology centre it was to set up at Tafelberg.

Thandokhulu is one of nine

Khayelitsha schools operating on a "platoon" system in shared buildings.

Two others, Bumluko High and Intlanganiso High, took possession of two vacant District Six schools last week in terms of an agreement with the Cape Technikon.

Groote Schuur Democratic Party MP Ms Dene Smuts said the Thandokhulu pupils would be welcomed in her constituency "with open arms".

They were coming to a community which prized education and to the home of several educational institutions at the forefront of efforts to open to all, she said.

Negotiations are under way with City Tramways to transport the pupils.

School principals ban inspectors in disruption drive

Education Reporter

BLACK Western Cape school principals have banned Department of Education and Training inspectors from their premises as a first step in their attempt to disrupt school administration.

They have also forced a DET teacher-training course in Khayelitsha to be abandoned, said Mr Solomon Makosana, spokesman for the Western Cape Black Principals' Forum.

Instructors from Johannesburg and Port Elizabeth had gone home early, he said.

Earlier this week, more than 50 principals threatened to "jam" administration unless their demands for better conditions in schools and improved terms of employment were met.

35% of city workforce unemployed

CT 10/9/92 (335)

By PETER DENNEHY

OVER 400 000 members of Greater Cape Town's labour force are unemployed or barely employed, according to figures provided by the economic growth promoting organisation Wesgro.

Wesgro spokesman Mr Roland Willis said their current estimate of unemployment and under-employment was 32 to 35% of the city's labour force of 1,15 million. Many researchers and academics put the figure as high as 40%, he said.

The figure included those who were unemployed, those who eked out some kind of living from informal sector activities and those who survived on part-time employment.

It was difficult to arrive at a "clean" unemployment figure — those who relied entirely on others for support — but this would be around 18%, he said.

Wesgro reported earlier this year that 40 000 new jobs were needed each year to stop the level of under- and unemployment from increasing.

"The actual number of new formal jobs created is 16 000 an annum, representing a shortfall of some 24 000 jobs every year," according to the Urban Problems Research Unit at UCT.

● About 150 members of the Unemployed Workers' Union arrived at the Dairybelle plant in Cochrane Avenue, Epping Industria, yesterday to find out what had happened to their earlier request by letter for a regular supply of free milk.

Dairybelle staff gave each of the 150 "visitors" a litre of milk and a half litre of maas (a milk product).

More professionals join jobless ranks

GAVIN DU VENAGE

PROFESSIONALS were joining the ranks of the unemployed in a steady flow, and were having difficulty in finding jobs in a shrinking market, economists said yesterday.

Sacob economist Keith Lockwood said although there appeared to be a glut of professionals looking for jobs, this was an indication of the depth of the recession rather than an excess of skilled people.

"It is important we do not lose these people as we can very quickly develop a shortfall, which could constrain economic growth," he said.

He was concerned that highly skilled management and technical staff could be forced to emigrate because they could not find work or the type of jobs and pay commensurate with their qualifications.

Professionals were better equipped to deal with unemployment, as they understood the structure of business, and also had access to finance, enabling them to start their own enterprises, he said.

Small Business Development Corporation (SBDC) assistant GM Dawie Craus said a constant flow of applicants had been received, including many from "really capable people"

with skills ranging from computers to banking.

Although the SBDC was granting loans at a rate of R20m a month, the quality of applicants could justify the doubling of this figure if the funds were available.

"There should be more financial support," he said, adding the country could only hope to grow economically if it cultivated entrepreneurial abilities like those being made available. "The sad part is we have to turn so many viable business propositions away for lack of funds," he said.

Professional Assignment Group MD Penny Ferrow said a "steady stream of people" had been trickling into the job market since last year.

Demand for skilled people still existed, but clients were extremely particular in what they were looking for. Twice the number of candidates applied for any vacant post than a year ago.

A significant development was the temporary placement of people with experience in large corporations, in smaller businesses on a rotational basis.

Ferrow said retrenched, highly qualified personnel such as financial directors would work on an assignment basis for two or three small to medium businesses each month; providing the level of direction not usually available outside major industry players.

This system was common overseas during recessions.

However, professional "headhunter" Chris van Tonder, of Consilium, said despite the usually negative aspects of widespread corporate contraction, in present circumstances, they were "overdue".

"Many companies have grown thick around the middle, and are now shedding the most unproductive, least qualified and inexperienced personnel," he said.

Companies were becoming more discerning in the type of people they hired, and were shedding "deadwood" accumulated over the years.

The most unfortunate aspect of this process was the effect on graduates with minimal experience, and many would have to wait until the economy turned before finding jobs in their fields, Van Tonder said.

Protest threat over hospitals

By Abel Mushi

335

Star 16/9/92

The Civic Associations of Southern Transvaal (CAST) yesterday threatened mass action against the Government "like never before" if an estimated 8 000 dismissed hospital workers were not reinstated within seven days.

CAST general-secretary

Dan Mofokeng said at a press conference in Johannesburg that the dismissal of workers who had gone on strike because of a wage dispute had resulted in a drop in the standard of health care in black areas — particularly in the PWV region where two East Rand clinics, Benoni and Wattville, had since been closed down.

He claimed the problem was being exacerbated by the fact that thousands of sick people would no longer visit hospitals such as the Baragwanath Hospital in Soweto because they feared the "hostel killers recruited by the Transvaal Provincial Administration" to replace dismissed workers.

"As a community organisation, we are only calling for the normalisation of health services by asking for the reinstatement of the workers."

Our trade union movements — Cosatu and Nehawu — are handling the labour problems which caused the strike," he said.

CAST said about 7 000 workers had been dismissed by the TPA in the PWV region and about 1 000 by the Free State Provincial Administration.

Mr Mofokeng said that although the underlying problem was of national concern, specific hospitals would be targeted in the mass action campaign. These were Baragwanath, the Natalspruit and Tembisa hospitals and the Watville Clinic on the East Rand, and the Ga-Rankuwa Hospital near Pretoria.

Mr Mofokeng said CAST was consulting other organisations to prepare for a consumer boycott throughout the PWV region if hospital authorities failed to meet CAST's demands within seven days.

Jobless raid city bakery

Staff Reporter

MORE than 100 unemployed workers raided a city bakery and helped themselves to bread yesterday.

They "overwhelmed" a security guard at the Duens Cadora bakery in Fisher Avenue, Epping Industria.

The raid happened after a meeting of about 150 members of the Western Cape Unemployed Workers' Union (UWU) yesterday recommitted themselves to regular bread and milk "grabs".

The union said members would

"hit" one outlet a week. There have already been four similar bread and milk raids.

The plight of the unemployed was highlighted at the meeting. One member suggested they should force their way into factories, work and demand to be paid.

Union members also revealed plans for a campaign of free rail transport for the unemployed on production of a union card.

They had approached the SA Railways and Harbour Workers' Union (Sarhwu).

Union sub-regional secretary Ms Nozibele Lufele said that UWU members paid dues of 20c a month. The union had 10 000 signed-up members in the Western Cape.

The unemployed workers also run an "anti-scabbing campaign", to protect the jobs of striking workers.

Ms Lufele said the union wanted all unemployed people to sign up, and she called on employers to approach the union to fill vacancies instead of advertising for staff.

(335) CT 17/9/92

Store readies for 'free food' demos

South 19/4 - 23/4/92

By Rehana Rossouw

UNEMPLOYED workers are continuing their "bread and milk" campaign, threatening to hit one supermarket a week to help themselves to these products to highlight their plight.

And Pick 'n Pay is bracing itself against the campaign after the Western Cape Unemployed Workers' Union (Wecuwu) singled it out as a prime target.

The company's spokesperson

Mr Steve MacDonald said they would "do what they have to" to protect their assets.

Wecuwu sub-regional secretary Ms Nozibele Lufele said this week that their goal was not only to take bread and milk from Pick 'n Pay but demand "jobs for all" from the company as well.

"Pick 'n Pay spent millions of Rands on the Olympics while we were suffering," Lufele said.

"We want them to open training centres so if jobs come up our members are able to take them.

"They must stop giving only coloured people jobs and food parcels; our members must get them too."

McDonald said he was "extremely sorry" Wecuwu had decided to target their stores as the company had several meetings with them and were planning to meet them again next week.

"We were the only company prepared to meet them. They admitted in one of the meetings that no-one else would even give them an appointment," he said.

Saccawu will not be stopped

Union to protest Checkers dismissals:

Sowetan 23/9/92

By Isaac Moledi

MEMBERS of the South African Commercial, Catering and Allied Workers Union are to march on the Checkers store in Heidelberg today in protest against the dismissal of its members.

The march will start at 9.30am at the town's taxi rank and proceed to Checkers, where a memorandum will be handed over to the company's management.

More than 70 workers at Checkers in Heidelberg were dismissed last month.

The dismissals came about as a result of a woman worker who was allegedly fired after she objected to being called a kaffir by a white security woman, according to Saccawu.

Saccawu official Mr Salim Vally said: "Instead of the Checkers management looking at the matter objectively, they unilaterally decided to dismiss our member."

Checkers said in a statement that it was still addressing the problem in the interest of all its 20 000 employees.

"In doing so the company would have due regard for the financial position of the company and the current state of the economy."

"The group regarded its relationship with its employees as an internal matter and did not want to arouse public debate which may jeopardise the future of their livelihood," the statement said.

● Numsa's appeal to fight dismissals

Call for workers to fight Cobra dismissal

■ Management accuses union of double agenda for own gain:

By Ike Motsapi

THE National Union of Metalworkers of South Africa has appealed to workers employed by companies which have links with Cobra Watertech not to handle its products because it fired 800 employees last month.

In a statement to *Sowetan* Numsa claimed the affected workers were unfairly dismissed while negotiating for better wages with the company on August 21.

"We appeal to workers ... not to handle Cobra Watertech products or to deliver raw material to Cobra. By refusing they can put pressure on their management not to place orders with that company," the statement said.

The managing director of Cobra Watertech, Mr Tobbie Boynton-Lee, confirmed the dismissals. He said this was as a result of Numsa's intention not to settle during July when wage negotiations were in process.

Boynton-Lee said: "We still believe that

our offer was far better than the one given by Seifsa. However, there was a second agenda from the union's side.

"They wanted to declare a dispute with my company so they could take us to the Industrial Court. The reason for this was that they wanted to link the strike to the national strike planned for August 3 and 4 by Cosatu.

"We took them to court for unfair bargaining and this entitled us to a lock-out.

"When they balloted for the strike action we used our rights to lock them out.

"My company went to great lengths to make the union aware that it was playing with people's jobs by trying to link the strike with the national general strike.

"However, it was a case of individuals who played a political game for their own needs. I must say that we still want our workers back," Boynton-Lee said.

Management told the union it was prepared to re-employ some workers on "a selective basis" but insisted they should reapply for new posts within the company.

OAU mission in city for talks on violence

MICHAEL MORRIS
Political Correspondent

WAYS to end violence are at the top of today's Cape Town agenda for a team of Organisation of African Unity experts.

The eight-member team, led by Senegal's ambassador to Zimbabwe, Mr Ousmane Camara, was welcomed at D F Malan airport last night by the regional chairmen of the ANC and PAC, Dr Allan Boesak and Mr Theo Mabusela respectively.

The OAU shares international concern over violence and finding ways to end it has been the focus of the experts' mission.

Dr Boesak said he welcomed the OAU visit because it "heightens the presence and influence of the international community, and international attention, on the situation in South Africa".

He added: "I believe the more international attention and co-operation we get, the better."

"The OAU mission will clearly be having broad discussions with every-



Picture: ANDREW INGRAM, The Argus.

TEAM ARRIVES: ANC regional chairman Dr Allan Boesak welcomes OAU official Ms Christine Mfula to Cape Town.

body involved, including the government, and that should give them a good idea of what is happening. We welcome this."

PAC secretary for relief and aid Ms Patricia de Lille said the delegation would meet the regional executives of the PAC and ANC, Anglican Archbishop Desmond Tutu and representatives of the Transport and Omnibus Workers Union, the Transport and General Workers Union and Codeta to discuss issues related to violence.

The delegation is on a three-week visit to South Africa.

'Shattering lessons' for mining

Staff Reporter

SHARING profits and power with workers has brought about "fundamental" change in the mining industry, said Anglo American executive director of public and industrial relations Mr Bobby Godsell.

Speaking at the Cape Town Civilian Blind Society's annual meeting last night, Mr Godsell said his company learned "shattering lessons" during the past few years.

A formula whereby workers would share in profits in case of a gold price rise had restructured economic relations fundamentally.

It created "psychological ownership" by making workers feel part of the company.

Initial problems with power-sharing had disappeared and there were at least 80 to 90 successful agreements for every strike in South Africa.

Unemployed in bus depot demo

Staff Reporter

ABOUT 200 members of the Western Cape Unemployed Workers' Union (Wecuwu) have demonstrated inside the Golden Arrow Bus Service depot in Woodstock.

After briefly toying, the group handed a memorandum to the management of the company.

The memorandum called for the unconditional reinstatement of 222 workers the Union claims were fired during the recent strike.

The union also demanded "free transport for the unemployed", for fares to be reduced to "affordable levels", concessions for students and that vacancies be filled by Wecuwu members.

Help young minds with flair for business to flourish

Star 21/9/92

(335)

THE TIDAL wave of 1992 school-leavers looks likely to propel nearly half a million more teenagers into the scramble for jobs by the year-end. Most of them will confront "No vacancies" notices.

Many seasoned economists fear a repetition of the dilemma faced a year ago, when fewer than one in every 10 school-leavers — matriculants included — stood much chance of finding employment in the formal business sector.

It may be even worse. As the longest and deepest recession in decades slashes into the size of labour forces, several big companies — plus the public service — talk more about retrenchments than about recruitment.

Observers follow the dramatic shrinkage of vacancies in the formal sector with growing alarm. Back in the 1960s, when the economic tempo was in full stride, commercial and industrial companies absorbed 75 percent of all school-leavers with ease. The annual intake has now plunged below a meagre 10 percent.

What makes matters worse is the impact of the population explosion. The total of 1992 school-leavers, according to latest estimates, will be swollen from

under 400 000 to between 430 000 and 480 000 by the end of 1992.

Will the vast majority of them be tipped into the dismal abyss of unemployment?

Time to despair? Maybe not.

Dr Ben Vosloo, managing director of the Small Business Development Corporation (SBDC), believes the headaches of the next influx into the labour market can at least be partly counter-balanced by opportunities to launch an entirely new generation of budding entrepreneurs into the economic mainstream.

"There is a wealth of talent in our school classrooms that can be explored and that deserves the chance to flex potential muscle in the business world," he says. "The first step may be the faintest of ventures ... But what's that phrase about acorns and oak trees?"

He points to the growing list of successes scored in the vast informal sector that has been created by the gradual erosion of rules and regulations that held the brakes on entrepreneurs until apartheid started to crumble.

SBDC research shows that no fewer than 3,5 million workers have escaped unemployment by setting up their own mini-business ventures in the informal

With unemployment running at crisis levels, will nearly 500 000 new school-leavers at the end of 1992 add to SA's economic woes? Not, according to the Small Business Development Corporation, if the nucleus of a new generation of potential mini-business entrepreneurs is found, reports MICHAEL CHESTER.

sector — from hawkers and street traders to auto engineers and high-technology experts.

The scale of operations has also been underlined by the Development Bank of Southern Africa, which estimates that their combined turnovers is now running at a phenomenal R30 billion a year.

"It has proved that big business and the formal sector don't have a monopoly on talent and enterprise," says Dr Vosloo.

The SBDC has launched several new programmes to extend its search for budding new small business entrepreneurs into high school classrooms.

"It's quite a tonic to see the enthusiasm that can be kindled among school teenagers when they learn about the opportunities at their feet if they choose to mobilise their embryonic business talents," says SBDC senior general manager Toni Kedzierski, who runs the corporation's support services division. Regular talks at several

schools have already begun to introduce pupils in matric classes to the world of small businesses.

"We have already inspired many of them to form teams where Standard 9 and 10 pupils put their entrepreneurial talents into practice while still at school," he says.

In certain instances, classrooms are encouraged to test their skills by launching an imaginary business of their own — selecting among themselves who looks the likeliest managing director, production manager, salesman, or accountant.

In a paper exercise, they try their hand with a dummy run — choose the product or service they intend to supply, estimate the demand by market research, weigh the cost of production and viable selling price levels, and follow through with the acid test of a profit-or-loss balance sheet. "They learn their mistakes soon enough," says Mr Kedzierski. "But they also learn how to avoid them next time. Brick by brick, it builds confidence." Better still, the budding classroom tycoons go into business for real — making and selling handmade curios, sandals and T-shirts, washing-machine detergents ... or starting weekend gardening services or writing car-wash or window-cleaning contracts.

"At one school, the kids themselves struck a deal to take over the tuck-shop and run it as a business operation," Mr Kedzierski recalls. "They bought peanuts in bulk and packaged them into small snacks — at a profit."

"One of the most successful ventures was started by a glamorous young matric pupil who recruited school chums to form an agency to provide teenage models for TV commercials and fashion shows. Young electronics wizards earn their pocket money by repairing hi-fi and TV sets."

In a current venture, the SBDC has launched a contest in which no fewer than 2 000 high schools are competing to turn out the most striking posters that extol the merits of small business enterprise. Rewards for excellence will

go far beyond the R28 000 cash prizes and the personal computers on offer. Winners will also be invited to join special courses on "How to start your own business".

Says Mr Kedzierski: "We believe there's a chance to capture a brand new spirit of entrepreneurship among our school-leavers."

"Whatever the problems facing South Africa in its transition — and the list seems endless — we believe attitudes can be changed from negative to positive."

"The next priority should be for schools to give a high profile to entrepreneurship when they address students about career guidance — not as a sort of necessary alternative but as a first choice for students who show business flair."

"The next batch of school-leavers, rather than be regarded as an extra burden on unemployment problems, could act as the launch pad into a new, vibrant economic scenario."

Dr Vosloo adds: "Parents don't necessarily owe their children a college education, or motor cars, or trips to Europe as matric rewards," he argues. "Most of all, we owe them self-reliance." □



Countering the gloom ... with signposts to a dynamic new alternative for many school-leavers. The SBDC recently launched a schools poster contest.

Unemployed in bus depot demo

Staff Reporter

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ABOUT 200 members of the Western Cape Unemployed Workers' Union (Wecuwu) have demonstrated inside the Golden Arrow Bus Service depot in Woodstock.

After briefly toyi-toying, the group handed a memorandum to the management of the company.

ARG-24/9/92
The memorandum called for the unconditional reinstatement of 222 workers the Union claims were fired during the recent strike.

The union also demanded "free transport for the unemployed", for fares to be reduced to "affordable levels", concessions for students and that vacancies be filled by Wecuwu members.

Nehawu, TPA reach agreement

■ About 5 000 hospital workers
to get their jobs back:

Sowetan 25/9/92 (335)

By Ike Motsapi

THE Transvaal Provincial Administration and the National Education, Health and Allied Workers Union reached an agreement on the reinstatement of dismissed hospital workers in Johannesburg last night.

Although details of the settlement were not available at the time of going to Press, Sowetan sources said the deal involved the immediate reinstatement of 5 000 of the 7 000 dismissed workers.

The sources said a decision on the remaining 2 000 will be taken after they had appeared before arbitration as they had criminal cases pending against them. The cases resulted from the strike.

The sources further said about 4 500 scabs who were employed during the strike would be offered voluntary retrenchments or retirements.

The same applies to the 5 000 who will be reinstated in terms of the agreement.

It is expected that the 16-week-old hospital strike will be called off next week.

More retrenchments afoot in arms sector

By Helen Grange
Pretoria Bureau

Thousands more retrenchments are expected as the SA Defence Force's rationalisation programme continues, affecting the arms manufacturing industry in particular.

Atlas Aviation, a division of Denel which manufactures aircraft for the SA Air Force, is expected to face major cut-backs in staff numbers.

Atlas recently suffered a stinging rationalisation blow

with the cancellation of support for the Rooivalk helicopter programme.

The SA Air Force did, however, throw out a life-line to the arms industry recently by announcing that R75 million of its budget would be spent locally.

Other divisions of Denel, which was formed after the privatisation of certain Armscor subsidiaries, are also expected to face scores of retrenchments, although it has refused to comment on numbers.

It is known that a number of employees in the arms industry will work their final month in March next year.

Ripples of anxiety have spread among those affected, especially those with financial commitments or little prospect of gaining alternative work in specialised fields.

The SA Army said this week that retrenchments in its ranks would be carried out as humanely as possible.

Each individual is to be granted a personal interview and will be given the opportunity to make representations to army headquarters.

Final decisions on retrenchments would be made only after these submissions had been considered, the army said.

Gloomy scenario as job shrinkage becomes permanent

335
ARG 26/9/92

JOHANN REDELINGHUYS
Weekend Argus Correspondent

JOHANNESBURG. — Most of the jobs which have been drained out of our economy as a result of the economic recession will disappear forever.

Because so many large organisations have down-sized successfully, it won't be necessary in future to have the same numbers of employees, even when the economy picks up again.

So what happens to the increasing pool of unemployed people — not just the labourers and unskilled operators but the young graduates and other qualified individuals?

The only answer has to lie in the expanding informal sector, which today is taking on a somewhat different character.

Not only are the pavement hawkers and creative traffic light traders doing business on their own

more and more people higher up the social scale are somehow learning to create employment for themselves.

People are coming to realise that a job with security and prospects will no longer be a right for everyone.

Many less fortunates will have to make a living by finding a need for some service or product — and then bringing it to the market effectively.

Flea markets and roadside trading are booming all over the country. Some make a full-time living like this and others do it to supplement their income.

The William Nicol Highway in Bryasnton has become a well estab-

lished and colourful roadside trading area, with merchants offering anything from flags to futons and tree ferns.

Hair cutting services (using portable generators for powering the clippers) and hair plaiting are seen in many pavement trading areas. The delicious smell of boerewors grilling on the sidewalk and many other convenience foods are now commonplace.

While the conservative residents of the smart areas may feel less supportive of all these activities, there's a comfortable informality about it all and the convenience of spotting what you want when you are driving, stopping right there, buying it, loading it in your car and driving off, certainly beats traditional shopping habits.

A man who has succeeded in creating a good livelihood for himself is Rodney Drake, whose green Mercedes is parked on William Nicol Highway near the turn-off to Peter Place.

He engraves numbers on car windows and sells immobilisers. He works from 11am until 4pm every day, without too many hassles, and makes around R6 000 a month.

Drake retired early from a major mining group and has been running his little operation for almost three years now. He's a qualified engineer with a BSc from Leeds University in England.

He's become such an established service in the area that when he returned from an overseas trip a little while ago, regular customers said they'd missed him.

Strikers to meet

■ All those who were dismissed urged to attend:

Sowetan 1/10/92

THE Johannesburg Central Local branch of the National Union of Metalworkers of South Africa will meet at the Neac Centre, Dobsonville on Saturday.

The branch chairman, Mr Aubrey Thomas, said: "The meeting is very important. We are calling on all our members including those who were dismissed during the strike.

"We also call on any member who was a victim of any mass dismissals to attend the meeting."

A series of important issues are scheduled for discussions.

Exiles group threatens ANC with violence

Sowetan

1/10/92

THE Returned Exiles Committee (REC) has again threatened violence against the African National Congress -

this time to pressure the ANC into releasing dissidents allegedly held in detention camps outside South Africa.

"We foresee the possibility of reaching a stage whereby we will be forced to resort to violence as a means of pressuring the ANC to release our prisoners should an agreement not be reached peacefully," said REC chairman Mr Patrick Hlongwane.

In a statement on Tuesday, Mr Hlongwane emphasised that "we do not

■ Returned exiles group calls on the Red Cross and the Ugandan and Tanzanian governments to visit 'hell camps'

wish to resort to the violent means used by the ANC to pressurise the government into releasing ANC prisoners".

Mr Hlongwane was broadly criticised for stating his organisation would kill ANC leaders allegedly responsible for the deaths and torture of dissidents.

In his statement on Tuesday, Mr Hlongwane also requested the International Red Cross to pressure the ANC and the Ugandan and Tanzanian governments into allowing the Red Cross to

visit the ANC's "hell camps" in those countries.

"Based on the ANC's previous record we feel that our comrades are in danger of losing their lives should this matter not be attended to in the near future."

Hlongwane also asked the Red Cross to request State President FW de Klerk to negotiate the release of ANC captives "in view of the fact that we are in the process of releasing all political prisoners in South Africa". - *Sapa*.

St Helena slashes 2 700 jobs

8/0am 28/9/92
NEW retrenchments at Free State gold producer St Helena have brought total job losses at the mine to nearly 5 200 in the past three years.

The retrenchment of 2 700 workers, announced at the weekend, is the third major job shedding at the mine and has reduced it to 3 000 workers.

Gengold MD Gary Maude said yesterday this did not mean the mine would soon close down, as it still had six years of payable ore reserves at the current gold price with the revised monthly tonnage of 50 000 tons.

The rationalisation will entail reducing ore production by about 50% and gold production by 250kg to 360kg a month.

"What has been happening at St Helena is a direct effect of the low gold price," Maude said.

He said Gengold had considered the whole "gambit of alternatives," but blasting on seven days a week depended on the ore reserves, and the majority of St Helena ore reserves

JOHN WATERS

were close to the pay limit. (335)
Maude said to keep St Helena profitable, certain areas of the mine had to be closed down.

Some of the workers could be placed elsewhere, he said.

While St Helena had a "small direct connection" to Unisel and Oryx, the retrenchments would not affect the ore-processing operations carried out by St Helena, said Maude.

The excess capacity resulting from the reduced tonnage had forced St Helena to close its carbon-in-pulp plant in April.

Maude said the traditional filter plant could adequately handle St Helena's and Unisel's ore.

Retrenchment costs of R8m worked out to about R3 000 to R4 000 a worker.

Maude said costs were relatively high as the workers being laid off had been at the mine for several years.

Strikers to meet

335
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"We also call on any member who was a victim of any mass dismissals to attend the meeting."

A series of important issues are scheduled for discussions.

Public sector recession-proof

By Frank Jeans

Private sector employment has plunged to an alarming degree as the recession bites deeper, but in the public sector jobs continue on an upward spiral.

At a press briefing in Johannesburg this week, Errol Rutherford, chairman of Corobrik, the country's biggest brick producer, said:

"Employment in the public sector has risen by more than 70 percent in the past two decades, against an increase of only 30 percent in private business over the same period.

"And while retrenchments in the private sector have come in the wake of the economic downturn, other than lost jobs in the health and education sectors of

the public sector. I am not aware of any major retrenchments of public servants."

Mr Rutherford, speaking at Corobrik's media day at the Transvaal head office, said the effect of this alarming disparity in employment was reflected in the cost of government and how this was funded.

"Very little of the country's wealth is created within the public sector.

"Rather, it is the function of the private sector to create wealth and the taxes levied on that wealth creation funds the cost of government, along with the salaries of the public sector."

Where the cost of government was growing at a faster rate than

the wealth-creation ability of private business, the government had to resort to higher taxes on the private sector in order to fund itself.

"Higher taxes are a disincentive for the private sector to invest and grow, so the whole exercise becomes self-defeating."

Calling for the implementation of the De Loor Commission's recommendations on a housing strategy, Mr Rutherford said action now would be to channel energies and resources being dissipated through social unrest into vibrant growth.

"Many inhabitants of squatter camps could afford formal housing if the mechanisms and resources needed to create that housing could be brought together."

SMALL BUSINESS WEEK

It's a positive way to beat unemployment

THE quickest route to economic recovery and stemming the alarming increase in unemployment in South Africa is through the expansion of small business.

This is the view of Southern life executive director Arie van der Zwan, when explaining the company's sponsorship of the Small Business Week for the third year running.

He says small business has now, to a greater extent than ever before, a vital role to play in the economic development of this country, if it is to restore peace and increase productivity.

The national Small Business Week — which starts on October 3 — is aimed at promoting the growth of a vibrant small business sector in South Africa.

Through its sponsorship, the company seeks to make all South Africa's communities aware of the fact that small and medium-sized enterprises can make a massive contribution to the improvement of the economy.

Mr van der Zwan points out that compared to the developed nations of the West, South Africa has a low rate of self-employment.

"We cannot rely solely on foreign investment to create em-

ployment. It has been proven time and again in the past that self-employment provides the main thrust behind new job creation.

"Large-scale job creation is desperately needed to combat crime and increase stability. However, the outlook for job hunters is extremely bleak, especially considering the fact that fewer than seven percent of all new matriculants can expect to find jobs.

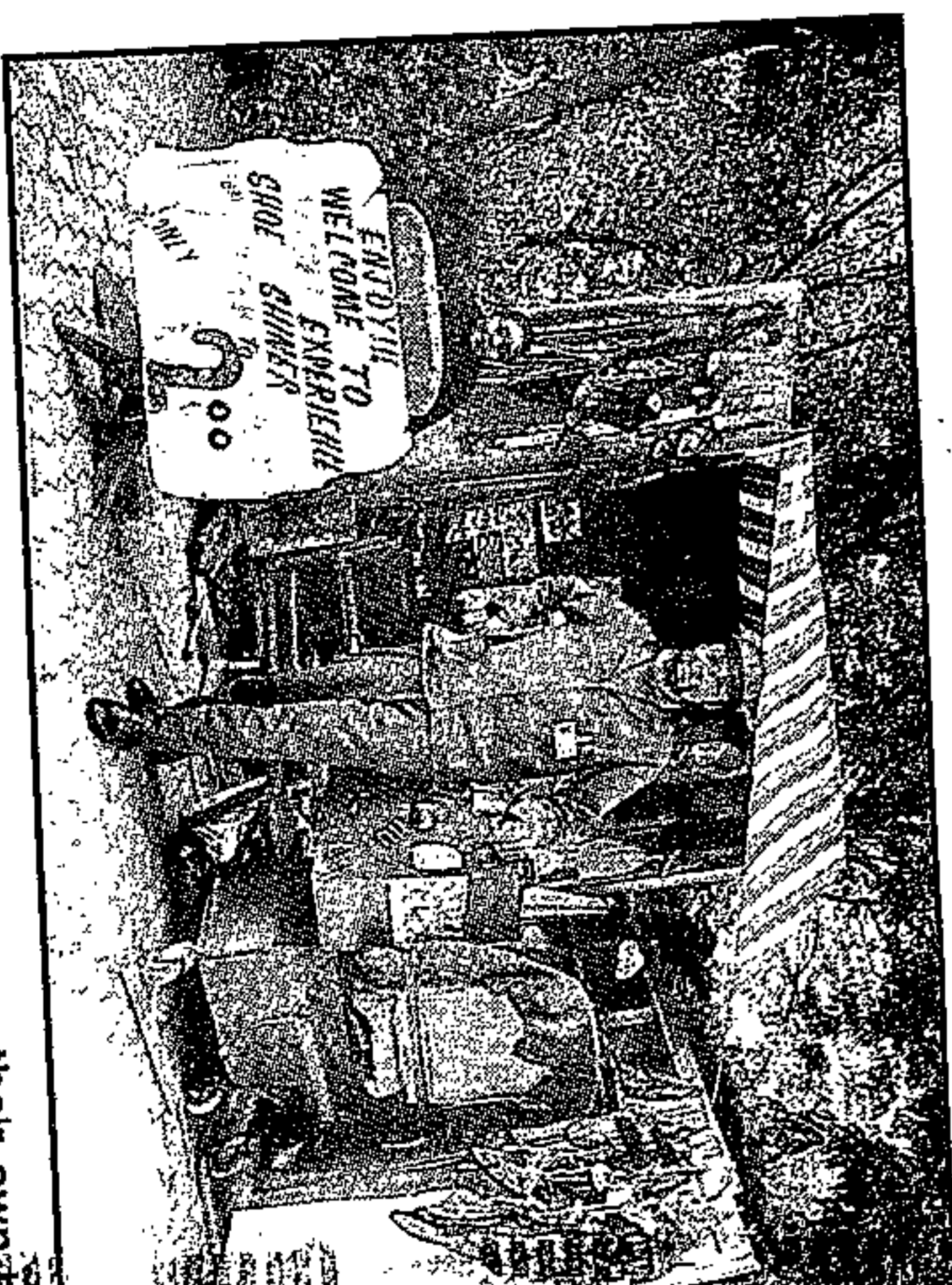
"Estimates indicate that the

entire formal sector will have fewer than 40 000 jobs on offer as the recession slashes demand for labour and this paints an extremely gloomy picture for job seekers.

"For this reason we endorse the philosophy that is being furthered during Small Business Week, namely that entrepreneurship can be a positive means of counteracting unemployment," says Mr van der Zwan.

Since its formation in 1981, the Small Business Development Corporation has been responsible for generating over 300 000 job opportunities.

Mr van der Zwan points out that it has been a major driving force in assisting the small entrepreneur.



A place of his own . . . many people open their own businesses because they can't find any other work.

It's not all bad news

STAR 21/01/92

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SOUTH Africa's economic future rests on the extent to which it is able to foster entrepreneurial activity and generate the wealth needed to uplift and educate its population.

The recession is having a significant negative impact, but there are indications that the effects are not all bad.

Toni Kedzierski, Small Business Development Corporation senior general manager support services, says the recession has led to more people entering small business.

"As more people are re-trenched so many of them have no alternative but to start up their own enterprises.

"The extent to which this is taking place is difficult to measure as most work from home and are not trading in a formal format, not registering as either closed corporations or private companies.

"There are two main types of entrepreneurs.



Toni Kedzierski... more entering small business.

"Many have no choice and start their own businesses. Throughout the world people have few options when they become unemployed. They may use some form of unemployment benefit to survive; find another job, turn to crime, or start their own business.

"If they go into business it is done as a survival measure and often they will stop doing business as soon as they are able to find a new job. Many people prefer working for someone else.

"However, some of the people who start small businesses to survive, find they enjoy running their own show and become growth-oriented entrepreneurs."

People who grow up in families which own their own businesses, often go into business — even if it is not the family business.

Others start off working for other people and see opportunities which they act upon — for their own account.

Mr Kedzierski says the first two years of a small business's life are crucial and it is during this period that the greatest number of failures occur.

The SBDC is conducting an intensive study of causes of failure.

Mr Kedzierski says one of the major priorities in South Africa is to create a clear-cut small-business development policy. He notes that there are few programmes in place to promote small business.

"While the Business Act is intended to make setting up a business easier, by cutting through some of the licensing red-tape, it has not yet been implemented.

"Businesses must still comply with the housing act and town planning rules. There is a need for government to adopt policies and practices which encourage small business.

"There is still no preferential tender policy with regard to small business, and often the small business cannot even fill in the complicated tender documents.

"Another major issue is taxation. Small businesses are, generally, paying a much higher rate of taxation than

the larger firms, due to the various incentive schemes which larger companies enjoy," says Mr Kedzierski.

There are large companies which operate schemes under which they buy from small businesses. Mr Kedzierski says those schemes which function as a part of the firm's corporate responsibility programme tend to fail, while the schemes which are operated as a means of increasing the corporate profits tend to be successful.

He is optimistic about the future and believes that as more people in South Africa become involved in the decision-making process, so there should be a greater orientation towards small business.

"It is important to remember that entrepreneurial activity creates wealth and any other form of activity simply transfers wealth from one place to another," says Mr Kedzierski.

Southern spurred on by grim job market

South 3/10-7/10/92

SOUTH Africa's quickest route towards economic recovery and curbing the increase in unemployment is through the expansion of small business, says Southern Life's executive director, Mr Arie van der Zwan.

Southern is sponsoring the Small Business Week for the third consecutive year.

Van der Zwan said that now more than ever, small business had a vital role to play in economic development. A recovery would help restore peace and increase productivity.

"We cannot rely solely on foreign investment to create jobs. It has been proven time and again that self-employment provides the main thrust to new job creation," he said.

"Large-scale job creation is needed to combat crime and decrease instability. But the outlook for job hunters is bleak, especially considering that fewer than seven percent of all new matriculants can expect to find jobs.

"To make matters worse, these youngsters will have to compete with the growing number of jobless in lengthening unemployment queues over the past few years."

Van der Zwan said it was estimated that the formal business sector would have fewer than 40 000 jobs on offer as the recession slashed demand for labour.

"This painted a grim picture for job-seekers," he said.

"For this reason in particular, we endorse the philosophy furthered during Small Business Week."

He said the Small Business Development Corporation had helped create more than 300 000 jobs since 1981 and remained a major force in helping small businesses.

Human chain marks protest against Sasol

B/DAM 6/10/92
KATHRYN STRACHAN

CHEMICAL Workers' Industrial Union (CWIU) members yesterday formed a human chain around Sasol's head office in Rosebank in protest against the oil giant's retrenchment programme.

The demonstration was part of the CWIU's "national day of protest" against the company. This included a march in Cape Town to Prices Candles, a Sasol subsidiary.

The union demanded that Sasol halt the "unilateral restructuring" which had led to job losses, withdraw all pending retrenchments and immediately reopen negotiations in "good faith", CWIU acting general secretary Muzi Buthelezi said. It also demanded that Sasol withdraw all warnings issued to workers who took part in demonstrations, that it ask the Goldstone commission to probe alleged CCB activities at its Secunda complex, and that it agree to the principle of centralised bargaining.

Union delegates, with SACP secretary-general Chris Hani and Cosatu general secretary Jay Naidoo, met Sasol management yesterday in Rosebank.

Sasol yesterday urged the union to re-enter negotiations in good faith, Sapa reports.

Sasol media manager Lee-Ann Goodman said the protest stemmed from unfounded union allegations.

She denied new Sasol projects were intended to restructure the chemical industry, saying they were to ensure long-term growth. While retrenchment was sometimes unavoidable, 1 600 employees had accepted a voluntary package. Only 220 had been retrenched compulsorily, Goodman said.

Wages, she said, were totally market-related. "Last year Sasol paid out R1,6bn to its employees and only about R440m to shareholders."

Jobs shed to border contracts

Property Editor

LACK of state expenditure on road maintenance and infrastructure projects was forcing more and more companies to seek work across South Africa's borders at considerable cost to local jobs, says Chris Jarvis MD of Basil Read.

Jarvis said state expenditure on road rehabilitation and maintenance continued to be well below that required to uphold the standards of the country's network.

"Urgent attention must be focused on these matters to halt the deterioration of the road network which could have adverse effects on the economy as a whole," he said.

While the Department of Transport had estimated that about always been a large employer of labour but current figures of about 60 000 are half those of 10 years ago."

Jarvis said that in spite of the downturn, Basil Read Civil Engineering had secured R60m in new contracts in the past three months.

Included in this is a R8,5m road rehabilitation contract at the Bosmansdam Interchange which has recently been awarded to Cape subsidiary, Clifford Harris.

New contracts in hand included road construction in the Western Cape while contracts for infrastructure and township services had been secured in Natal, Cape, Transvaal, Lesotho

and Botswana.

R6,7bn was needed to maintain the road network and worthwhile projects during 1991/92, the amount budgeted had been set at only R2,7bn.

Between 1975 and 1990 the amount spent on roads in real terms had decreased by 45% with road funding being slashed in real terms by 23% between 1990 and 1991 alone.

"This is forcing more and more construction companies, including ourselves, to seek work opportunities across the country's borders."

Although these contracts helped supplement the workload, they adversely affected the South African unemployment problem.

(335) CT 7/10/92

15 00 jobs lost in clothing industry

BIDAY 8/10/92

MORE than 15 000 jobs were lost in the clothing industry last year in its worst recession, National Clothing Federation (NCF) president Aaron Searll said.

Commenting in the latest edition of Clothing Industry News, he said the situation had been compounded by a sharp increase in second-hand clothing imports. About 158-million second-hand clothing units had been imported last year compared with 33-million in 1989.

While about every third garment purchased in the country had been imported, every fifth garment was an imported second-hand one, he said.

Searll said the Trade and Industry Department had promised the clothing industry "remedial action within days" during a meeting in May. More than four months had lapsed and there had been no action.

NCF economist Arnold Werberloff said the clothing industry, the country's most labour intensive in the manufacturing sector, now employed 98 000 people, compared with 137 000 in 1982.

Clothing output had fallen by 4% in the first five months of the year and by a third since its peak in 1982. Textile production had fallen by 11% in the first five months of the year and by 40% compared with 1982.

Retail clothing sales, however, had

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DUMA GQUBULE

been rising over the past six years which meant that real increases in clothing sales had not always been reflected in rising clothing and textile production.

The conclusion, he said, was that the growth in demand had been diverted on an ever increasing scale to imports of new and used clothing.

Werberloff said the industry's silver lining was the healthy growth in exports. After rising to R325m last year (from R195m the previous year), 1992 figures would be considerably higher since new markets were opening up almost daily.

Local manufacturers had recorded multimillion rand deals in the former Soviet Union recently and US retailers were, once again, becoming aware of the considerable potential of sourcing through SA suppliers.

Highly competitive pricing, quality, delivery and fashion were reasons given by many international sourcing agents surveying the country's garment factories.

Werberloff said it seemed the SA clothing industry was set to become a significant supplier to many developed countries. The picture was of a rising tide of imports and vastly increased export opportunities.

Restructuring fuels Sasol conflict

UNW 9/10-15/92

TENSIONS at the oil-from-coal giant Sasol are approaching breaking point, as workers challenge the company's "unilateral" launch of new projects.

The Chemical Workers' Industrial Union's (CWIU) demand is an increasingly familiar one: a greater say in company business planning. But the dispute also highlights a deep contradiction in labour's thinking about a new economic order: if demands that local industry become more internationally competitive, but is unwilling to accept the rationalisation — and job losses — this often entails.

The four-month conflict at the government-controlled Sasol came to a head this week when 400 workers staged a human-chain protest at the corporation's head office, prompting it to declare a dispute with the CWIU — which represents about 8 000 workers at Sasol — for negotiating "in bad faith".

At the heart of the dispute is a Sasol capital-intensive expansion programme, aimed at extending operations into other spheres of the South African petroleum and chemical industries. Several projects, costing more than R3-billion, are envisaged as the company shifts its emphasis away from synfuel.

Sasol's efforts to become internationally competitive have raised tensions with labour, reports

MONDLI MAKHANYA

The restructuring has been paralleled by the retrenchment of about 2 200 workers. While Sasol attributes this to the tough conditions in the international chemical market, CWIU says it is due to Sasol's "restructuring" process.

The CWIU argument has it that the fuel giant realises synfuel's role in a post-oil embargo age will be downgraded and is seeking refuge in other sectors of the market. There is nothing wrong with this, says acting general secretary Muzi Buthelezi, except that it is being done at the expense of the unskilled workforce at Sasol plants and the Secunda coal mines.

"Sasol was built with taxpayers' money to protect and promote apartheid. Now that apartheid is on the way out, Sasol is restructuring its operations to protect its profits and this at the expense of the workers," charges Buthelezi.

Sasol spokesman Jan Krynauw says the proposed projects are aimed at

product beneficiation, in order to "make the group a world-scale chemical producer. We are merely adding value to our products".

The manner in which the retrenchments have been conducted underlies much of the distrust between the two parties.

They agreed this year to a moratorium on compulsory retrenchment, which expires next February. But this left a loophole for Sasol to offer workers voluntary retrenchment packages, a path which the company followed.

About 1 600 workers at Sasol's Secunda collieries and several other plants accepted this offer. CWIU now says Sasol acted in bad faith in not consulting it about offering voluntary retrenchment to union members. It has declared a dispute over 141 of the 220 workers retrenched on a compulsory basis.

Andrew Levy and Associates consultant Pat Stone reckons while management has every right to take such action, the union response is understandable.

"The union is concerned about the long-term preservation of jobs. It is saying it wants to participate at every stage and every level of business planning," he said.

Stone believes this tussle will be played out in other companies as

labour sees participation at company and industry level as a feasible alternative to the unlikely prospect of a centrally planned economy.

Also a source of annoyance to the CWIU is Sasol's shunning of talks on the establishment of a centralised bargaining forum for the chemical industry.

Furthermore, Sasol is one of the companies that gave warnings to workers who took part in the August general strike.

So acrimonious has the conflict become that it now threatens to spill over into the political arena. South African Communist Party head Chris Hani this week charged that the "restructuring" of the 30 percent state-owned Sasol was part of a government push to sell off the family silver ahead of a democratic government.

Much heat has been generated over union allegations that Sasol property was used to house Civil Co-operation Bureau operatives who were responsible for fanning violence in the Secunda area.

The CWIU demands Sasol "immediately" refer the matter to the Goldstone Commission; the company says it has already done so. Sasol has resorted to litigation to stop the union from continually publicising what it calls "slandorous allegations".

Outlook for jobs is bleak

S/Times [B455]

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11/10/92

By KEVIN DAVIE

EVEN the most optimistic of economic scenarios will not be enough to combat unemployment in South Africa, says a new study by the World Bank.

SA could grow at its fastest rate since the 1960s and yet provide only sufficient jobs in the next decade to reduce the proportion of blacks without wage employment from 50% to 40%, the study says.

"While this would in itself constitute a remarkable improvement, the urgency of the unemployment crisis in SA is such that other vehicles for black employment creation may be needed," says author Peter Fallon, the bank's economist for SA.

Mr Fallon's study is due to be released shortly as an informal working document published by the bank.

Rocketed

SA faces a growing labour crisis. The study says that SA absorbed more than 80% of labour-market entrants in the early 1960s. This proportion has fallen to below 10%.

"Despite ongoing employment growth in the many forms of government within SA, overall employment growth has deteriorated consistently since 1970."

Whites were protected from this until 1985: "Since then white unemployment has grown significantly."

"It is estimated that the unemployment rate has rocketed upwards to over 20% of the labour force and reached a much higher level among blacks."

"Unemployment rates of this magnitude represent a considerable waste of SA's resources and are a major source of existing unrest."

The study sets out three possible optimistic scenarios, none of which will provide sufficient jobs to effectively reduce black unemployment.

A major problem is that wages are well above what jobseekers are prepared to accept.

"Employers find it against their interests to pay below some minimum wage. The result will be sub-optimal employment levels."

Mr Fallon says the Gov-

ernment should price unskilled labour at below prevailing wage rates in making future investment decisions, encourage pay restraint in the economy in general and seek ways of improving employment in the private and parastatal sections.

Four mechanisms can be used: public employment-creation schemes, the encouragement of small business and the informal sector, improving the skills of black workers and introducing employment subsidies.

Warning

Labour should be valued at its shadow price using the informal sector as a gauge.

"The special employment scheme used by SA during 1985-86 paid much lower wages than prevailing rates, yet there was a strong demand for places on the scheme."

Because the formal economy is unlikely to absorb sufficient new workers, the informal sector is likely to be the "the only plausible route to fill the gap for many years to come".

Mr Fallon says capital-intensive industries should be investigated for distortionary influences: "The most obvious example is the redirection of investment in both the 1970s and 1980s towards strategic industries such as iron and steel and petrochemicals."

"Past strategic investments could not be justified under rational cost-benefit methodology, and there is no reason to believe that this does not apply to existing investments."

Where employment subsidies are used, they should be temporary and aimed at easing adjustments to a more labour-absorbing economic structure.

The study warns against raising minimum wages above market rates. In virtually every case in sub-Saharan Africa where minimum wages have been used, they have failed.

"Such aggressive policies were subsequently moderated over time, and minimum rates allowed to fall steadily given domestic inflation."

The study says that job security regulations discourage employment. Although the theory is that these regulations protect jobs, empirical evidence suggests that job security rules reduce employment as employers become reluctant to hire additional workers.

Four reasons are isolated for SA's slow employment growth: upward pressure on black wages, an emphasis on strategic industries, job reservation and the recessionary conditions since the early 1980s.

"Of these, only the recessionary forces may perhaps be quickly removed."

Strikes

Unionisation increased from 1.2% of the black workforce in 1980 to 30% in 1990.

"This has been accompanied by a massive rise in both the number of strikes involving Africans and the number of mandays lost."

Although overall black unemployment has increased, union activity may have raised real black wages by as much as 15% between 1979 and 1990, the equivalent of an average annual real pay increase of 1.27%.

80 000 lose jobs, more under threat

Sunday Times [BUSINESS] 11/10/92

By ADRIAN HERSCH

MORE than 80 000 jobs have been lost in four major sectors this year.

Retrenchments will continue in the last quarter. In some industries the job loss rate could accelerate.

The Steel and Engineering Industries Federation of SA (Seifsa) reports that 25 000 jobs were shed in the first nine months of this year.

This reduction brings employment in this sector down to 322 000 — the lowest in the past 20 years.

In November 1981 employment in the industry reached a peak of 454 000.

Seifsa economics head Michael McDonald expects that about 10 000 jobs will be lost in the current quarter, bringing the total for the year to 35 000 (the same as in 1991).

Mr McDonald is not optimistic about 1993, saying: "Lay-offs will continue at least for the first few months of 1993. There may be some improvement after that, but it will depend on several factors."

"These factors include the political situation, the drought, and demand for steel from the northern hemisphere countries — where economic growth is slow at the moment."

Focus on controls

MARKETING control boards will come under the spotlight at an ANC seminar in November.

The seminar will study the future of control boards and consider which should be retained or eliminated.

A spokesman says the ANC believes deregulation is the ideal. However, the fruit industry, as an example, has done well through its marketing boards.

But the meat industry cannot follow the same marketing patterns. Meat, with its high level of powerful interest groups, could be the most difficult to deregulate.

Chamber of Mines spokesman Benade Wessels says that in the first seven months of this year 17 340 jobs were lost on gold mines and 1 871 in collieries.

Some positions were shed through natural attrition, but most were due to retrenchment.

Mr Wessels says it is difficult to predict job levels in the industry because "they are so dependent on the price of gold".

More than 17 000 jobs have been lost in clothing and textiles this year.

At least 10 000 workers have been retrenched in the clothing sector.

335 Cyclical

But National Clothing Federation executive director Hennie van Zyl fears "we might not have seen the worst of it yet".

"Job-saving mechanisms, such as short-time work, have been exhausted at most businesses. It is possible that the lay-off rate could accelerate."

Mr Van Zyl says the industry faces more than a cyclical decline. When the time for restructuring comes, "which is now overdue", some "unpopular decisions may have to be made".

The Textile Federation of SA reports that about 7 000 jobs have been lost this year.

Federation executive director Brian Brink says employment levels stabilised earlier in the year, but the decline has resumed.

"There is nothing to indicate we have reached a turning point," says Mr Brink.

In the building industry 9 000 jobs were lost in the year to the end of March.

Former Building Industries Federation of SA (Bifsa) executive director Neil Fraser said in July that since March "job losses may have been as high as 4 000 a month".

Figures since then are not available.

Bread raid by unemployed

UNEMPLOYED people targeted another supermarket this week for free food when about 50 entered the Woodstock branch of Shoprite and helped themselves to bread and milk. *CT 16/10/92*

A police spokesman said the incident, on Wednesday afternoon, was peaceful. The manager of the supermarket had refused to lay charges. **(335)**

Marketing director Mr Brian Weyers said the losses were "not high".

'Govt may fire 30 000 workers'

By Sabata Ngcal

21/10/92

ABOUT 30 000 workers will be made jobless in the next six months in terms of a government decision, claim trade unions in the public sector.

Hardest-hit could be the 22 600 employees who, despite having worked for decades in the Cape Provincial Administration (CPA), are still designated as temporary workers.

Unlike staff members, they would not qualify to claim a full retirement package on retrenchment.

Enraged unions have accused the government of taking unilateral decisions, contravening an earlier agreement to consult prior to introducing measures which affect union members.

The unions include the National

Education Health and Allied Workers Union (Nehawu), South African Democratic Teachers Union (Sadtu), Public Service League (PSL), Health Workers Union (HWU), South African Health and Social Services Organisation (Sahso), and Cape Teachers Professional Association (CTPA).

According to the unions, staff reduction will start by offering early retirement packages to employees who have been in service for more than 10 years.

The unions said the government was considering taking more drastic measures, "which could involve retrenchment of employees", if it cannot reach its target.

Nehawu spokesperson Mr Wilfred Alcock said the government had said it would "reduce the entire civil service by five percent, approx-

imately 30 000" before the end of the financial year.

He said the government also threatened to offer early retirement packages to those who have been in service for more than 10 years.

HWU regional organiser Mr Bobby Mjijima said he could not rule out the possibility that temporary workers would be affected by possible retrenchment despite a pledge from the Commission for Administration (CFA) that temporary staff members would not be retrenched until they are permanently employed in April next year.

CFA determines the conditions of employment and service for all civil servants in South Africa.

CFA spokesperson Mr Corrie Smit said his office was unable to respond to questions faxed to him in Pretoria without the approval of

the Commissioner, whom he said was in Cape Town.

Nehawu said temporary staff employed by CPA in the Western Cape region numbered approximately 6 000. According to the CPA, it has a staff of 22 600 temporary workers in the Cape.

CPA public relations officer Ms Melanie Dedekind said the number of possible job losses could not be determined at the moment because "CPA is still investigating how many vacant posts are available".

She said only people who have reached the pensionable age — 55 for women and 60 for men — will be persuaded to retire.

CPA recently issued a circular proposing the reduction of staff to cut expenditure.

According to the CPA, the circular follows a government decision.

Search for dismissed workers

By JESSICA
BEZUIDENHOUT

THE Public Servants League is attempting to trace 14 of its members who were dismissed by the Department of Water Affairs in 1989, after a recent Appeal Court decision declared their dismissals invalid.

The dismissals were nullified after the court found the Department did not follow proper dismissal procedure. *8 Times (Cap Metro)*

Public Servants League spokesman Mr Bernard Wentzel said the workers had been employed at the Vaal-Gamagara Government Water Scheme near Kimberley. *18/10/92*

The court ordered the workers to be reinstated and that the Department compensate them for losses suffered as a result of their dismissals, he said.

The workers, some who had been employed by the Department for up to 12 years, were dismissed by letter on the grounds that they were redundant. They were asked to vacate the Department-owned houses in which they were living while working on the project.

The PSL argued successfully that the Department had failed to conduct "inquests" into their individual work performances or their personal circumstances.

The workers then applied to court for an order declaring the termination of their services invalid on the grounds that they had not been given an opportunity to be "heard" before they were dismissed.

After this application was dismissed with costs, the Appeal Court declared the dismissals invalid.

UK funds Cape job creation project

By DIANA STREAK

THE British government has funded an industrial centre in Philippi, established by the Cape Town Job Creation Project, which will be officially opened by British ambassador Sir Anthony Reeve this week.

Such foreign aid will enhance local efforts to address unemployment in Cape Town, project chairman Mr Eric Ismay said.

He said political reconciliation was unlikely to endure unless it was accompanied by economic rehabilitation.

Training

"Unemployment and the continuing under-performance of our economy pose a serious threat to political stability and the process of negotiation," he said.

The Job Creation Project is a private sector initiative designed to develop entrepreneurial businesses in the western Cape. It has been going for two years.

In that time it has established 130 new businesses to which it offers business counselling and management skills training.

The British government-funded industrial centre has 22 units which are known as "hives". A further 15 will be developed later.

The centre provides space for 21 small businesses.

Proposal for national jobs corps

BIDM 19/10/92 (335)

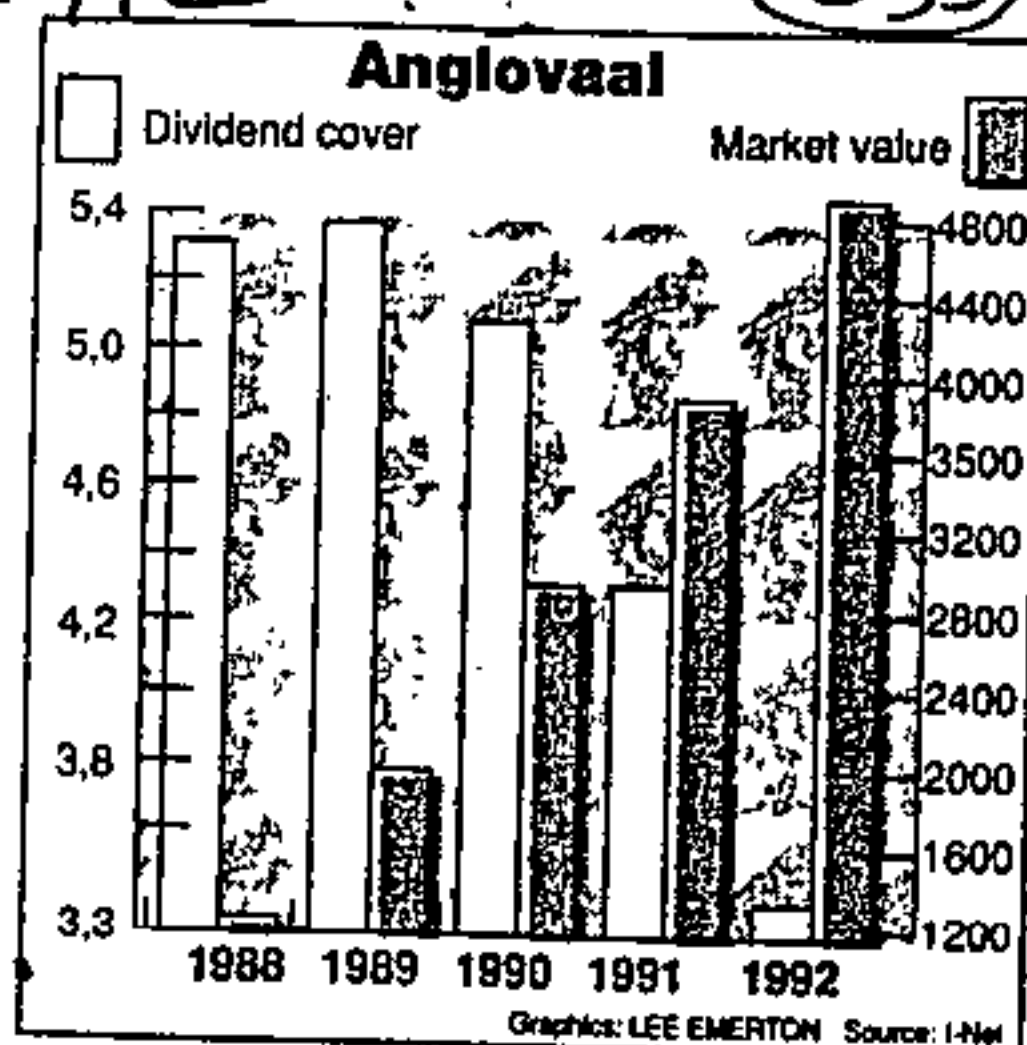
MATTHEW CURTIN

THE creation of a national jobs corps may be one way SA can break out of the vicious cycle of homelessness, unemployment and a lack of confidence in the economy, says Anglovaal chairman Basil Hersov.

In his 1992 yearly review, Hersov said continuing violence in SA, which had offset what political progress had been made in the year, had among its causes "the lack of significant change on the ground for many millions in our society, in fact a worsening of conditions".

In addition, overseas economic conditions deteriorated and there had been "a loss of faith in a better SA". The loss of faith could become a self-fulfilling prophecy, and the words unemployment and homelessness summed up "most of the fundamental problems facing the nation".

Hersov said an imaginatively and sensitively devised and organised job corps could be one of the many strat-



egies used to break out of "this negative cycle".

He said Anglovaal's confidence in 1991 that the economic downswing was flattening out had proved to be premature.

The SA economy would not turn around unless these factors occurred: "International economies must emerge from their present recessionary state; rainfall will have to return

to normal in the forthcoming season; and the political impasse will have to be broken."

With the chances small that all of these conditions would be met or that the causes of violence would be addressed successfully, Anglovaal was prepared to face tough trading conditions in the current financial year, and possibly into the next.

Hersov said the group planned capital spending of R1.4m in the next three years for "expansion and asset replacement", most of it by Anglovaal Industries.

It was hard to predict results for 1992/3, but "the economic recession, low mineral and metal prices and inflationary pressures will make growth in group earnings a major challenge", he said.

In the year-ended June 1992, Anglovaal's earnings fell to 464c from 478c a share, but the company increased its dividend to 100c from 92c a share. Attributable earnings fell to R278m from R285m.

SHARON WOOD

RESERVE Bank Governor Chris Stals will defend his restrictive monetary policy at the Sacob annual convention in Durban later this month.

One of the motions to be tabled at the convention is highly critical of present monetary conditions and calls for government, the Bank and the Economic Advisory Council to urgently reconsider current mone-

Stals to defend monetary policy

ary measures. It says monetary policy has gone far beyond the limits of usefulness and is inflicting harm.

Stals said on Friday he hoped the motion would be presented at the time of his address — on the last day of the conference — because "this will give us ample opportunity to tell them why they are wrong".

The Reserve Bank was always willing to discuss its policy but criticism at the convention was unlikely to change the Bank's monetary policy stance, he said.

The motion, proposed by the Border Chamber of Commerce, calls for urgent steps to prevent the further collapse of the economy.

Most unions hit by recession

Lost jobs cut into Cosatu's membership

8/0AM 19/10/92

DIRK HARTFORD

COSATU — until recently the fastest growing trade union federation in the world — could be experiencing an overall decline in membership as a result of massive retrenchments.

Cosatu spokesman Neil Coleman said the overall rate of growth of Cosatu had definitely slowed down due to retrenchments arising out of the recession.

But he said the overall growth trajectory was upward as the federation was making gains in previously unorganised areas. He cited the public sector and the agricultural sector as two areas where Cosatu was making inroads.

But sources in Cosatu affiliates said that, although there were new growth areas, the impact of retrenchments on Cosatu had

been "massive" and there was a real fear that the federation was currently in a "negative growth phase".

Cosatu's major affiliates — the NUM, Numsa and the SA Clothing and Textile Workers Union (Sactwu), which collectively represent more than half of Cosatu's total membership — have all suffered heavily from retrenchments.

Both the NUM and Numsa have also made significant gains in new areas. The NUM has picked up tens of thousands of members in platinum mines in the past year and Numsa has recently gained "thousands" of members in the motor industry — where it recently balloted for strike action.

And Sactwu, which has organised about 90% of the hard-hit clothing and textile industry, has made gains in the leather industry.

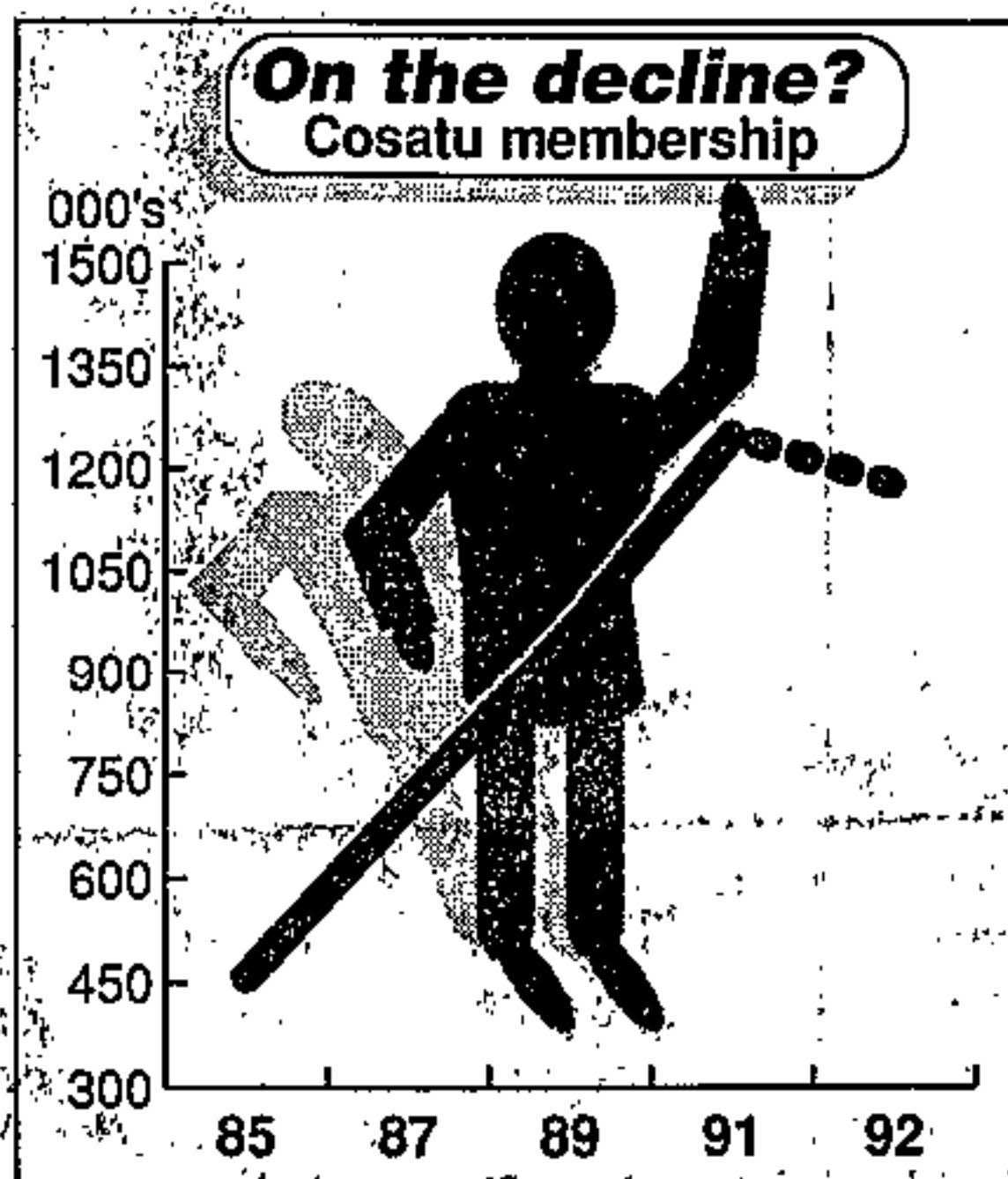
Nevertheless, an estimated 35 000 workers in the steel and engineering industry will be retrenched this year, the same number as were retrenched last year.

And at least 20 000 workers will have been retrenched in the mining industry by the end of the year.

In the clothing and textile industry, about 22 000 workers are also expected to have been retrenched by the year-end.

In all these sectors, the forecasts are of even more retrenchments.

The situation is not much better in the building, retail, food, pulp and paper and service sectors. Cosatu unions organising



□ To Page 2

Cosatu

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From Page 1

in these sectors have all been adversely affected by retrenchments.

In addition, many Cosatu affiliates have faced mass dismissals due to strike action. And they have not always been successful in winning those jobs back.

Ironically, Cosatu's fastest growing union is the National Education, Health and Allied Workers Union which picked up thousands of members during the recent hospital workers' strike. The union has reportedly doubled its membership to 80 000 members since the strike.

However, the bottom line is that no one — not even Cosatu and its affiliates — knows exactly how many members of Cosatu affiliates there are.

Cosatu affiliate membership tends to be inflated close to Cosatu congress time as this could boost the number of votes an affiliate gets. The last biennial congress was held in July 1991. It tends to be deflated in between congresses as this would decrease the affiliation fee each union has to pay to Cosatu.

In addition, dismissals and retrenchments confuse the figures because these are not always accepted by Cosatu unions and they will regard these workers as members for as long as the union is still trying to get their jobs back.

Also, the federation is still implementing a huge computer-based system to cope with the enormous demand on its resources from Cosatu's rapid growth between 1985 and 1991.

At Cosatu's launch in December 1985 it had 462 359 paid-up members in 33 affiliates. By 1987 it had 712 213 members and in 1989 it had 959 263 members in 14 affiliates.

At its Congress last year, Cosatu claimed 1,26-million members. The Manpower Department said Cosatu had 1,2-million members in 1991, representing 11% of the economically active population.

In a period when union growth in the western world was declining rapidly, Cosatu's growth stood out. Only Brazil, South Korea, Namibia and the Philippines showed any similar trend.

Economists pessimistic about unemployment

31/01/92 19/11/92
RETORIA — The critical unemployment problem continued to worsen between March and June this year, Central Statistical Service figures show.

Economists say there is little hope of the increase in the number of workless slowing before deep into next year, and then only if the political situation improves.

CSS figures in the three major areas of employment — mining and quarrying, manufacturing and construction — show the number employed declined by nearly 8 000 in the four months.

In mining the total employed dropped by 17 500 to 603 401, in manufacturing by 15 500 to 4 394 419 and in construction by 4 700 to 373 600.

Earlier this week in Parliament, Public Enterprises Minister Dawie de Villiers said employment in the formal sector was esti-

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mated at 7,8-million — 57% of the economically active population.

Absa senior economist Adam Jacobs said even if the recession hit bottom by the end of the first quarter next year, with the help of a good agricultural summer season, it would be months before this affected employment.

"There is unlikely to be a significant improvement in the job market during 1993, all we can hope for is a decrease in the rate of increase," he said.

It was only through increased exports that the critical unemployment problem could be eased.

"But to achieve increased export targets and become internationally competitive we must lower our cost structure, raise the quality of our manufactures and build a reputation as a reliable supplier."

GERALD REILLY

Outlook grim for job seekers, Boland warns

335

ARG 20/10/92

Business Staff

EVEN an annual economic growth rate of five percent for the remainder of the century will provide only 65 percent of the labour force with job opportunities.

A more likely growth rate of two percent per annum will leave more than half the labour force unemployed, cautions Boland Bank in its latest Economic Review.

In a grim assessment of the current employment situation Boland Bank warns: "The prevailing socio-political catastrophe goes hand in hand with the country's high unemployment figure."

"Surely this goes to prove beyond any doubt that we dare not assume that a high jobless figure can be treated as a normal economic variable."

In one of its most striking comments the bank says that there were unmistakable indications of "the development of a structural resistance to employment of workers" in the face of a 2,8 percent growth rate in the country's labour force.

This is evident in the labour absorption capacity of the economy, which has plunged from levels of 62 per hundred in the 1970s to a mere three per-

cent last year — that is only three new job entrants out of a 100 found employment in the formal sector last year.

Boland says that the solution to this dilemma will not be found by taking any traditional route.

"A higher economic growth rate may well form the most important basis for growth in income and employment, but the answer to the structural aspects of unemployment lie in a combination factors."

These factors are:

- The necessary attention to economic policy as a national priority and not its subordination to politics.

- Deregulation of the economy to benefit small businesses and the informal sector.

- Raising the population's level of skill through training and education. At present 53 percent of South Africa's labour force is unskilled.

- Curbing the country's massive population growth rate of 2,7 percent per annum.

- A recovery in the capital labour ratio by maintaining the correct price of capital through realistic exchange and interest rates as well as restoring confidence in labour.

- Political responsibility.

Checkers, Saccawu to meet on dismissals

CHECKERS-Shoprite group and the SA Commercial, Catering and Allied Workers' Union (Saccawu) are meeting today to try to resolve the dispute over the dismissal of workers at the group's Heidelberg store three weeks ago.

Saccawu official Salim Vally said yesterday the union wanted both the Heidelberg workers and more than 100 others dismissed in the eastern Cape reinstated.

But Checkers-Shoprite had told the union it wanted to discuss further retrenchments today,

DIRK HARTFORD

he said.

A Checkers-Shoprite spokesman said the group regarded its relationship with its employees as an internal matter and "did not want to arouse any public debate which may jeopardise the future of their livelihood".

Saccawu is picketing Checkers stores nationally in support of the dismissed workers.

2/10/92
RIDAY

Soweto 21/10/92

Settlement on sight

A SETTLEMENT on the reinstatement of about 400 dismissed municipal workers in Dobsonville, Soweto, appears to be on the cards following an Industrial Council hearing yesterday.

South African Municipal Workers Union secretary Mr Steve

(335) ~~(335)~~

Soweto 21/10/92 ~~(335)~~

Sihlangu said the hearing, attended by representatives of the Dobsonville Council and the union, was held in a positive spirit. (335)

"The council has undertaken to provide us with proposals concerning the reinstatement of the workers. A satisfactory settlement should hopefully be reached by Friday," he said.

Handwritten calculations:

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Study blames politics for high unemployment

PRETORIA — The socio-political "catastrophe" in SA goes hand in hand with the shocking unemployment figure, says an employment review by Boland Bank economist Louis Fourie.

Fourie said that last year only three out of 100 new workers found jobs in the formal sector. Prospects for this year were no better.

For too long the economy had been subordinated to politics and forceful action was needed to give the economic debate the necessary status in the negotiation process, he said.

Since the early '80s the population had faced growing poverty, high in-

3/0/92 2/10/92
GERALD REILLY

flation and a heavier tax burden.

In the '70s, an average of 95 out of 100 new entrants to the labour market found work in the formal sector. By the end of the decade this had dropped to 62. In the '80s the figure was 16 out of every 100.

The outcome was that between 1981 and 1991 only 186 000 out of 3,3-million job seekers found work, leaving 3,1-million job market entrants unemployed or semi-unemployed.

Fourie said that in the 10 years to 1991, public sector employment increased by 321 000 to 1,36-million

while in the private sector there was a decline of 47 000 workers.

He said even the current economic downswing was marked by relatively high salary increase levels (335)

In 1989 the average increase was 18%, in 1990 16,6% and last year 15,9%. "This represents an average annual increase of 16,9% in the three downswing years against an inflation rate of 14,8%."

Fourie said given an average economic growth rate of 2% a year until the end of the century, more than half the labour force would be unemployed by 2000.

Govt funding needed to address unemployment

THE state should put R2bn into development venture capital funds every second year for 10 years as part of a solution to SA's massive unemployment problem, Small Business Development Corporation (SBDC) senior GM Jo Schwenke said yesterday.

Speaking at the Institute of Personnel Management's annual conference at Sun City, he said the funds would seek out developmental opportunities that were viable, sustainable, and preferably owned by black South Africans.

A fund manager would manage the fund, seek out investments, help establish the investee and remain involved until the investee was self-sufficient and profitable.

Schwenke said this initiative could generate up to 50 000 or more new formal businesses with jobs for up to 2-million people.

He said about 44% of SA's population was either unemployed or underemployed. In addition, studies by Sacob and the SBDC had shown that less than 5% of school leavers and less than 10% of matriculants could be expected to find work in

the formal economy.

He said it was "frightening" that 46% of unemployed blacks were aged between 20 and 30.

Competition for a fairly stagnant number of formal employment opportunities would increase, he said, and lack of efficient schooling and dedication from pupils would leave unemployment or informal employment as their only alternative.

Schwenke said there was not one solution, and SA needed supportive government policies, specific job creation programmes, a "big push by big business" to create projects, exports and foreign exchange.

He said the state had to create an environment of law and order, followed by a fiscal and monetary policy which encouraged investment.

In the short term, big business should not retrench but retrain.

He said that the efforts of the state and small, medium and big businesses should be co-ordinated into a single medium-term strategy, with the driving force being the promotion of entrepreneurship.

MARCIA KLEIN

BUSINESS How companies can help employees overcome the trauma of losing a job

Making the most for those being retrenched

SO WELFARE
22/10/92
335

IT CAN NEVER happen to me, is the thought that goes through many minds when friends, colleagues, or relatives are retrenched. But it can happen to anyone from top executives to the lowest manual labourers in these tough economic times.

Retrenchment is a terrible psychological blow and it has a ripple effect. It does not only affect the individual concerned, but the family and other people in the workplace.

This column shows how a caring company or organisation should help the individual through retrenchment and also illustrates how the individual can cope with redundancy.

When a company sees falling profits, one of the options that is considered is retrenchment. But it should never be

The first in a series of articles on Human Resource management by senior mentors of the South African Board for Personnel Practice. By Johan Stander, Eskom Personnel Officer

thought of as the only option. Retrenchment can have a very negative effect on the company itself, if it is seen as the only way to cut down on expenses.

Retrenchment inevitably leads to a drop in morale among the people at all levels who are still employed and this can cause a lowering of efficiency and productivity.

What are the other options for a company in difficulty?

- Look for alternatives, such as retraining employees to do another, more profitable job;

- A total ban on new recruitment;

- Stop Over time;

- Introduce shorter working hours;

- Ask for volunteers who would like to take early retirement.

Only if all else fails to solve the crisis should a retrenchment programme be instituted and this should be done in as humane a way as possible.

From the outset it is vital to keep the individuals who are to be retrenched fully informed each step of the way.

The relevant trade unions should be involved from the outset and EVERYONE in the workforce should be comprehensively briefed on developments.

The importance of communication cannot be overstated. A lack of communication creates a web of rumours which can have a devastating effect in these circumstances.

The Press should be openly approached over the issue, so that any stories that appear on the retrenchment programme are accurate.

It is essential for the company to be clearly seen to be acting fairly. The options usually considered are early retirement, voluntary separation, or the "last in, first out" method. Companies

and organisations should be objective in the selection of the right alternative in terms of fairness.

Experienced personnel management staff should be on hand at all times to provide assistance, information and moral support where needed. Financial advisers could be called in to assist with an individual's financial planning. In smaller companies it may be necessary to call in outside experts on outplacement.

Those employees who are to be retrenched should be informed as long as possible before their termination date.

Other companies in the area who may have vacancies should be canvassed. Employees should be assisted in obtaining unemployment benefits.

Where retrenched employees have cheap company housing, they should be allowed to stay there for a period - after all the houses will be empty if they leave.

The company should try to help in many other ways. These could include providing transport for other job interviews, writing off company loans to employees, establishing a support network and career counselling.

All the services available, as well as applicable dates, should be communicated through group sessions, mass forums and weekly bulletins.

Thousands laid off in metal, motor industries

THOUSANDS of workers have been retrenched in the metal and motor assembly sectors since the national strike in August.

Samcor, which was working short-time almost continuously before the strike, has retrenched at least 650 workers since the moratorium on retrenchments ended with last year's agreement.

Samcor spokesman Ruben Els said the 4 500 remaining wage and salaried employees were now working fulltime.

Other motor assembly employers

DIRK HARTFORD

— including Nissan and Mercedes-Benz — are understood to be considering retrenchments. They would not comment yesterday.

In the metal industry, Seifsa said its members retrenched 3 367 workers in September — the first month after the strike. During the strike 2 417 workers were laid off.

A mini-survey of Numsa local offices showed that while many companies had retrenched workers, the numbers had been small.

According to Numsa's Benoni branch, 10 companies in the area had retrenched a few more than 100 workers.

In Numsa's central Witwatersrand region, three out of six branches reported about 450 workers retrenched since the strike.

Numsa organisers say the main reasons given for the retrenchments were lost market share as a result of the strike, order books drooping due to the economic downturn, worker action harming business and positions generally becoming redundant.

Big protest at store likely

DIRK HARTFORD

THOUSANDS of people are expected to march on Heidelberg's Checkers store today in protest at the dismissal of the store's black workforce three weeks ago, after an illegal strike.

And a national consumer boycott of the Checkers-Shoprite group is scheduled to start on November 1.


SA Commercial, Catering and Allied Workers Union (Saccawu) spokesman Salim Vally said talks with Checkers management broke down this week when Checkers refused to discuss reinstating the dismissed workers.

Saccawu also wants more than 100 workers — dismissed in the eastern Cape in the late '80s — to be reinstated in terms of an agreement Saccawu says it has with Checkers.

But Checkers was only willing to discuss flexibility arrangements and retrenchments, said Vally.

Today's march from Ratanda — the township outside Heidelberg — is expected to be supported by Ratanda's residents.

Checkers would not comment yesterday on an "internal matter". 23/10/92.

Hostel cleaners 
■ THE South African Municipal
Workers' Union is threatening to
"close down" Soweto if 413 dis-
missed hostel cleaners from the Dob-
sonville Town Council are not rein-
stated and transferred. (335)

The workers were dismissed when
they refused to clean hostels after
threats from hostel dwellers. Two
cleaners were killed on duty two
years ago.

W/maul 23/10 - 29/10/92

Unemployment escalates at an alarming pace

C/p news 25/10/92 335

By RICH MKHONDO

SMARTLY-DRESSED white professionals from comfortable South African suburbs stand in line uneasily with black labourers from squatter settlements.

The uncomfortable atmosphere has nothing to do with apartheid and everything to do with economics – the queue is part of the humiliating ritual of applying for unemployment benefits.

"We are meaningful people who lost our jobs and desperately want work to survive," said Kgosi Mang Msimang, an unemployed accountant from Soweto.

The never-ending queue is a reminder that unemployment in one of Africa's richest countries has reached alarming proportions.

"Our lives have been devastated by unemployment," said Donald Goosen, a qualified electrician.

Five million people or 40 percent of the workforce are registered unemployed – the highest level in four decades – but many analysts estimate the true figure could be as high as seven million.

About half are under 25, and the bulk are from the "lost generation" of ill-educated, unruly township youth.

More than 250 000 jobs have been lost in the past three years of recession. Investment spending and company profits are at a 20-year low. Insolvencies have surged.

Economists estimate sustained economic growth of five percent a year is needed just to prevent unemployment rising, but the economy is set to shrink

in 1992 for the third year in a row.

To qualify for unemployment benefits one must earn less than R53 000 a year. Benefit is paid for a maximum of six months.

Most of those who lose their jobs are unlikely to find work. Millions of jobless roam the streets and many turn to crime.

Armed robberies increased by 16 percent in 1991 and 27 percent in 1990. Burglaries rose 14 percent in 1991 and 22 percent in 1990.

Five times as many people are killed in common law crimes such as armed robbery and murder as in political violence.

In Johannesburg alone applications for unemployment benefits soared from 43 000 a month in 1990 to 74 000 by mid-1992. The figures are expected to keep rising.

"Threats of mass action, stayaways and go-slow strikes will also not contribute towards stability in an already troubled and politicised labour force," said the Bureau for Economic Research at Stellenbosch University.

Adding to the urban unemployed are newcomers from drought-hit rural areas and illegal immigrants from African states such as Lesotho, Mozambique, Zimbabwe and Zaire.

The Development Bank of SA estimates the century's worst drought will force at least three million people from rural areas to the cities.

Politicians and economists say the only long-term solution is economic growth. But the country needs a political settlement first.

Poor job outlook for Western Cape workers

335
ARC 26/10/92

SHARON SOROUR
Labour Reporter

THOUSANDS of Western Cape workers are likely to lose their jobs next year with retrenchments continuing unabated if the economic situation does not improve.

Job losses nationally — totalling 160 000 in 18 months — could reach the 200 000 mark by the end of this year.

According to Cape Town labour consultant Mr Fred Adelhelm it is difficult to predict whether retrenchment patterns will improve or get worse as the issue is linked to economic improvement.

"There will be no economic improvement if there is no political improvement, and if there is no economic improvement by the first quarter of next year, we predict there will be more retrenchments ahead," Mr Adelhelm said.

But Mr Adelhelm said if there was economic improvement there was no guarantee jobs lost would be regained.

Trends indicated that the jobs of hourly- and weekly-paid workers were stable, but there had been a "substantial" increase in the retrenchment of

people at professional and executive level.

According to a Cape Town senior personnel consultant Ms Veronica Miller, the situation in the Western Cape is worse than last year, and there are no signs that it will improve.

In an across-the-board survey among clients, Ms Miller ascertained that two percent intended retrenching the "odd" staff member, 30 to 40 percent would not reduce staff and "the rest were intending to retrench further staff".

"It is not a positive picture. There are too many people out there in trouble. Almost all companies are retrenching, from small engineering firms to the major oil companies," she said.

Ms Miller said a large number of senior management were being retrenched.

According to Mr Adelhelm, the clothing and textile industry is the biggest in the Western Cape affected by retrenchments and 17 000 jobs have been lost.

"Over the past 12 months the engineering industry has retrenched 35 000 workers, 36 000 workers have been retrenched in the gold and coal mine industry in the past six months and 9 000 in the building industry," he said.

Cape Chamber of Industries executive director Mr Colin McCarthy said he had not heard that there was any "light at the end of the tunnel".

Business closures, retrenchments and short time were all going on at the same time.

Union prepares for Checkers battle

810AY 28/10/92
THE SA Commercial, Catering and Allied Workers Union (Saccawu) said yesterday Checkers-Shoprite had threatened to immediately retrench 400 workers in the Transvaal unless union negotiators agreed to discuss the issue today.

The company also said it would introduce flexibility arrangements for its staff, Saccawu said.

The union insists the company first negotiate the reinstatement of the black workforce at the Checkers Heidelberg store.

And it backed up its demand yesterday by occupying Checkers' regional office near Germiston. The occupying Saccawu delegation included branch officials, shop stewards and workers.

DIRK HARTFORD

Saccawu official Sue Harvey — speaking from the occupied Checkers office — said they would stay in the building until Checkers agreed to reinstate the Heidelberg workers and negotiate on their grievances.

If the unionists were arrested, they would refuse bail and stay in jail, said Harvey.

Checkers had told the union it was not prepared to discuss the Heidelberg workers at all, according to Harvey.

Last Friday 2 000 workers in Heidelberg marched on the Checkers store demanding the reinstatement of the workers and the dismissal of the store manager.

Work plan for rural jobless

A MULTIMILLION-rand public works programme to relieve rural unemployment was agreed on by 72 affiliates of the Consultative Forum on Drought yesterday.

Government and the ANC were present at the meeting, which concluded that rural poverty needed to be addressed urgently as it had exaggerated the effects of the drought in many areas.

Announcing the decision, IDT spokesman Wiseman Nkuhlu said the exact sum needed still had to be decided, but the programme would complement the IDT's R100m job creation programme.

Forum secretariat manager Len Abrams said the programme would provide jobs in agriculture and "basic coping services" such as water supply, road construction and irrigation.

RAY HARTLEY

The forum's employment task force had been mandated to draw up a framework for the programme which government would be asked to fund, Nkuhlu said.

He said a recommendation from the forum steering committee to investigate action against "the various irregularities reported from time to time" had been adopted.

A recent forum secretariat report has alleged widespread maladministration and corruption in government and homeland drought relief efforts.

Agricultural Development spokesman Mike Walters said some irregularities were already being investigated.

□ To Page 2

Work plan

Nkuhlu said lack of co-operation with drought relief efforts by some regional governments were leading to a "prolonging of suffering", but ways would be found to continue discussions on drought relief in these regions.

He said relief agencies wanted to have a

say in the allocation of government relief funds next year.

Walters said the country could have confidence in the way the drought crisis was being handled.

"There is no danger of people dying as a result of water and food shortages."

□ From Page 1

2 000 strikers are out of jobs

335

ABOUT 2 000 National Education Health and Allied Workers' Union members fired by the Transvaal Provincial Administration during the five-month-long hospital strike will not be re-employed.

A further 323 were over 60 years old and would be put on pension, the TPA's director-general, Mr Andre Cornelissen, said in a state-

■ Fired Nehawu workers won't be re-employed by TPA:

Southern 28/10/92

ment. Nehawu general secretary, Mr Neil Thobejane, confirmed that the retrenchments were not a breach of the agreement signed between the TPA and the union.

He said: "We agreed that 5 000 people would be re-employed and that the TPA could

not take more than that number. If the TPA retrenches, it will not necessarily retrench from the rehired strikers."

A misconception had arisen that the TPA was not keeping its end of the bargain by retrenching some workers.

413 workers reinstated

ABOUT 413 members of the SA Municipal Workers Union and other employees who were dismissed by the Dobsonville Council last month are to be reinstated on Monday. *Sowetan 30/10/92*

This has been disclosed in the agreement between Samwu's attorneys, Cheadle and Thompson, and the council's attorneys. The workers were dismissed on September 7 and 8 after a week-long illegal strike called to demand the removal of hostel dwellers and municipal police from the township. *(335)*

'Video scam aimed at cost cutting'

C/P 1/11/92.
By ELIAS MALULEKE

THE SA Motor Corporation (Samcor) may face industrial and legal action for employing a private investigator who allegedly enticed factory workers to steal from the firm.

The investigator allegedly filmed the transactions.

Now the jobs of 177 Numsa members are on the line.

Numsa claims the scam was set up to provide a reason to fire workers rather than pay retrenchment packages.

Organiser Herman Ntlatleng said that if the 177 were not reinstated, industrial and legal action would ensue.

He said Samcor was to retrench workers in December and had already laid off more than 700 workers in September.

Fired workers said an Indian PI posed as a food vendor outside the Samcor premises in Waltloo, Pretoria.

They said that when they went to buy from him, he told them he was a buyer looking for car parts and tools, and enticed them to bring parts.

This he had done by promising to pay extremely well for any part brought to him.

They said he was buying any spare part they could carry into his caravan.

The man had paid more than the parts were worth at a spares dealer.

Sacked

The PI was filming the deals on video.

The videos were handed to management and the workers were sacked.

One worker said the parts he was filmed selling to the PI were not from Samcor.

He claimed they were cheap parts he'd bought from a spares dealer.

He had sold the parts for profit to the PI.

One of the alleged "thieves" captured on camera is a woman who is alleged to have undressed down to her panties to remove parts concealed on her body.

Samcor public relations officer Dirk de Vos confirmed that workers were caught by the spy camera.

However, he denied allegations that some workers were fired because of it.

"No one has yet been fired as the matter is still under investigations. However, as the matter is still sub-judice, I cannot comment on the number of workers involved in the filming."

He said it was company policy - following an agreement with Numsa - that statements regarding workers should be released jointly with the union.

Ntlatleng said the matter was being discussed by shop stewards and management, but the union had pointed out that it was unfair of management to entice workers to steal.

Workers' claim sewn up

ST Times (Cape Metro) 11/11/92
THE South African Clothing and Textile Workers Union (Sactwu) has won R27 000 for five workers dismissed by a knitting factory in Elsies River.

Mr Richard Kawie, the union's Elsies River organiser, said this week that the company — Knitmaster — had underpaid the workers, had not given them their leave pay or their provident fund or sick fund contributions and had dismissed them unfairly when they complained.

The union brought 23 charges against the company in an action that was to have come before the Industrial Court. It was settled the day before the case was to have been heard.

The workers were awarded different amounts in settlement of the claims.

The managing director of Knitmaster, Mr Basil Zafiropoulos, did not respond to messages left asking him for comment.

250 000 jobs lost due to recession



DUMA GQUBULE

335

THE country's longest recession this century has resulted in more than 250 000 retrenchments in the non-agricultural sector since September 1989, Central Statistical Service employment figures show.

Hardest hit was the mining and quarrying sector, where employment levels plunged by 100 000 to just over 600 000.

However, employment levels in the retail and financial sectors increased by 40 000 over the past three years.

Manufacturing employment dropped by 67 000, construction by 42 000 and electricity by 6 000, for a total of 115 000 jobs, pushing total employment in these sectors down to 2,42-million. *BIDAM*

In the wholesale, retail and motor trade and hotels category, employment dropped by only 11 600 to 719 500, due to a 14 300 increase in employment in the retail trade. Hardest hit in the category was the wholesale trade where 19 500 jobs were lost.

However, employment at banking institutions has increased by 18 600 since the beginning of the recession. *2/11/92*

Analysts said yesterday banking and insurance institutions had been growing over the past three years due to a proliferation of new financial products.

The CSS data accounts for a total of 3,3-million people in the formal sector of the economy. However, major sectors — like agriculture and domestic services, which together employ over 2-million people — are excluded.

Recession's 250 000 jobs toll

335

CT 2/11/92

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● On the international front, things are no better.

Industrial countries face the prospect of nearly 34 million jobless by the first half of 1994 unless governments step in to check or reverse the current

upward trend, trade union experts said in Paris at the weekend.

"Unless something is done by governments to secure a significant economic recovery, unemployment might be touching 33 to 34 million" within the next 18 months in the 24 member countries of the Organization for Economic Cooperation and Development (OECD), one expert said.

This could mean around 20 million European workers would be on the dole.

The Trade Union Advisory Committee (TUAC), a consultative body representing over 60 million union-affiliated workers in the OECD countries, plans to urge the need for coordinated government action to bolster growth at a scheduled meeting with the OECD council in two weeks, TUAC sources said.

OECD Secretary General Jean-Claude Paye recently set unemployment in the OECD area at "over 30 million" at present.

The OECD last June foresaw a jobless rate of 7.5% for the OECD area as a whole this year, or some 29.9 million unemployed, falling off to 7.3% or 29.4 million next year.

OECD's chief economist, Kumi Shigehara, two weeks ago foreshadowed an upward revision of these figures in the OECD secretariat's year-end Economic Outlook due for publication next December.

He said the secretariat now projects a 9.9% average jobless rate for Western European OECD countries this year, rising to 10.4% in 1993 because of a more sluggish OECD growth outlook, while in June it foresaw rates of 9.3% both this year and next.

This means Europe may now have over 18 million jobless.

Africa 'must work hard to become a world player'

B/D BY 4/11/92
JONO WATERS

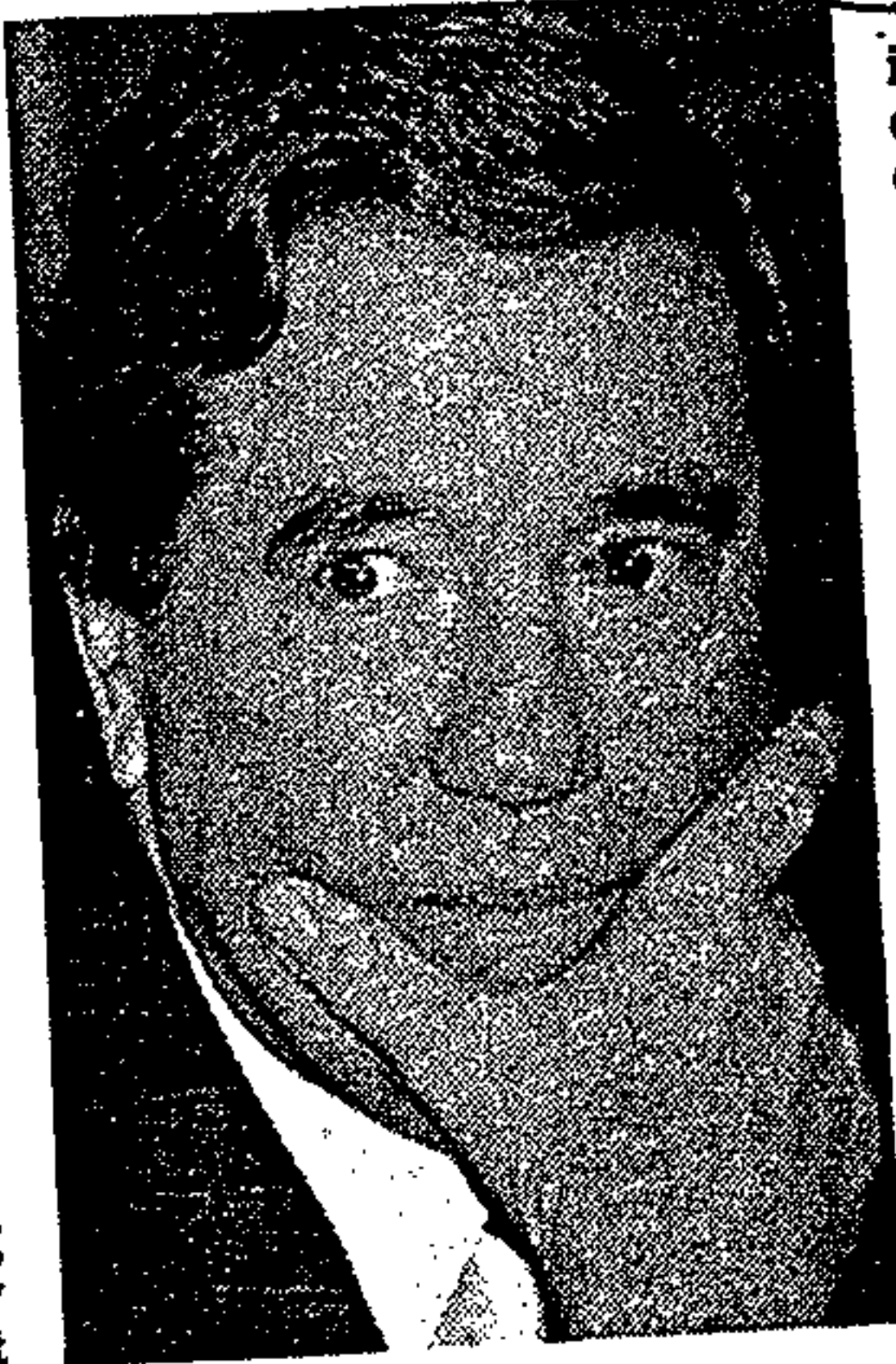
TOTAL factor productivity remained constant between 1960 and 1987 in subSaharan Africa against increases of 1.9% a year in East Asia, National Productivity Institute executive director Jan Visser said yesterday.

Delivering the keynote address, he said that since 1960, growth in productivity had accounted for a small proportion of output growth for most developing countries.

Visser said the World Bank had predicted there would be an increase of nearly 100-million poor people in subSaharan Africa which would make 30% of the developing world poor, compared with 16% in 1985.

"The correlation between productivity and economic growth is strong and positive, and Africa will simply have to increase productivity if it wants to become a world economic player," he said.

GDP in the subSaharan region decreased by 1.2% a year between 1980 and 1989, while it increased in all other regions except Latin America. The growth rate of 1% a year achieved by the subSaharan region was not high enough to accommodate the high population growth rate of



● VISSER

3.2% a year.

Visser said that in recent years, East Asia had grown rapidly through expansion in trade. Annual growth in real exports increased by more than 10% from East Asia, while they declined in subSaharan Africa.

Since agriculture provided Africa

with 33% of Africa's GDP and 40% of its exports, the continent had a clear comparative advantage and it offered the best immediate opportunity for raising incomes, he said.

"Agricultural growth must be doubled to 4% a year to be able to increase Africa's standard of living." He said that even when full account was taken of the environmental limits to land exploitation, the scope for expanding production was great.

Over a longer period, policies should aim at fostering private investment and entrepreneurship in the industrial sector, he said.

Visser said education would affect productivity and growth, as a better educated person absorbed information faster and applied new processes more successfully.

Visser said the adult literacy rate in subSaharan Africa was only 48% compared with 71% in East Asia, and fewer than 50% of children were enrolled in primary school in the subSaharan region.

Visser concluded that to have an African productivity association dominated by governments and politicians would be fundamentally wrong, and he was pleased that no politician had been involved in the first assembly.

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FOCUS *MK soldiers struggling to find employment in South Africa's sophisticated marketplace*

Few jobs for cadres

By Abbey Makoe

MANY returned Unkhonto we Sizwe soldiers might be finding it hard to find work in the country's sophisticated marketplace because the main skill most acquired abroad was in military warfare.

That is one of the main reasons advanced by MK chief-of-staff Siphwe Nyanda in an exclusive interview with *Sowetan*.

Nyanda reasons that many of the cadres left the country in 1976 and the turbulent 1980s without completing their studies.

On arrival in exile, the young men of the highly politicised generation of 1976 engaged in training for the overthrow of the SA Government.

As Nyanda puts it: "They trained, came back and fought. Some were detained and others went underground while some remained in exile until today, where training in conventional warfare is in progress."

Meanwhile, after the sudden unbanning of the ANC and the sudden return to the country for MK soldiers, hopes for Uhuru were sky-high.

■ Hope fading away:

But more than two years later, hope in many soldiers is gradually fading away.

Nyanda refutes this. He acknowledges that although there could be major reasons for disillusionment within the MK, "it is remarkable that most cadres have not turned to violence due to discipline".

Nyanda says this is despite the fact that there is "a sense of impatience" among some cadres, who are finding that the Government is dragging its feet on total power-sharing.

Freedom is around the corner

As Nyanda understandably says, it is their will to serve in the defence force of their country, where they will be doing something they have trained for.

But some of the MK cadres spoken to claim that their woes are aggravated by the ANC leadership's steadfast belief that freedom is around the corner, despite the Government's current scandals to discredit the ANC.

By Quentin Wilson

MRS Anne Hendricks is spending her last days in an old, disused cow stable.

The 65-year-old woman, too sick to continue working on the Heidelberg farm where she has lived most her life, has been put out to pasture by her white "baas".

Yet Hendricks considers her position in favourable terms. She has a place to stay, there is a tap and the walls of her home are made from sturdy bricks. Compared with the rickety corrugated iron and wood dwellings up the road in Blikkiesdorp (literally: Tintown), Hendricks' situation is one of luxury.

Her rasping cough and dead eyes declare otherwise, but the pensioner insists she is "very fortunate".

Travelling from Cape Town to rural towns, a number of truths stick. In Worcester, Oudtshoorn, George, Mossel Bay, Riversdale, Heidelberg, Swellendam and Grabouw, the overriding feature is the shocking standard of living.

Apart from the fistful of whites, cocooned in their cottonwool dorps, the abject poverty is a grim contrast to the striking beauty of the spacious countryside.

In Bongolethu, an Oudtshoorn township, small box houses are filled to the brim with occupants. While electricity is not available to

'Merry Xmas workers — you're fired'

SOUTH 7111-1111/92

335

of the platteland.

most, gas lamps are only used when absolutely necessary. Receiving guests from out of town is one of these occasions.

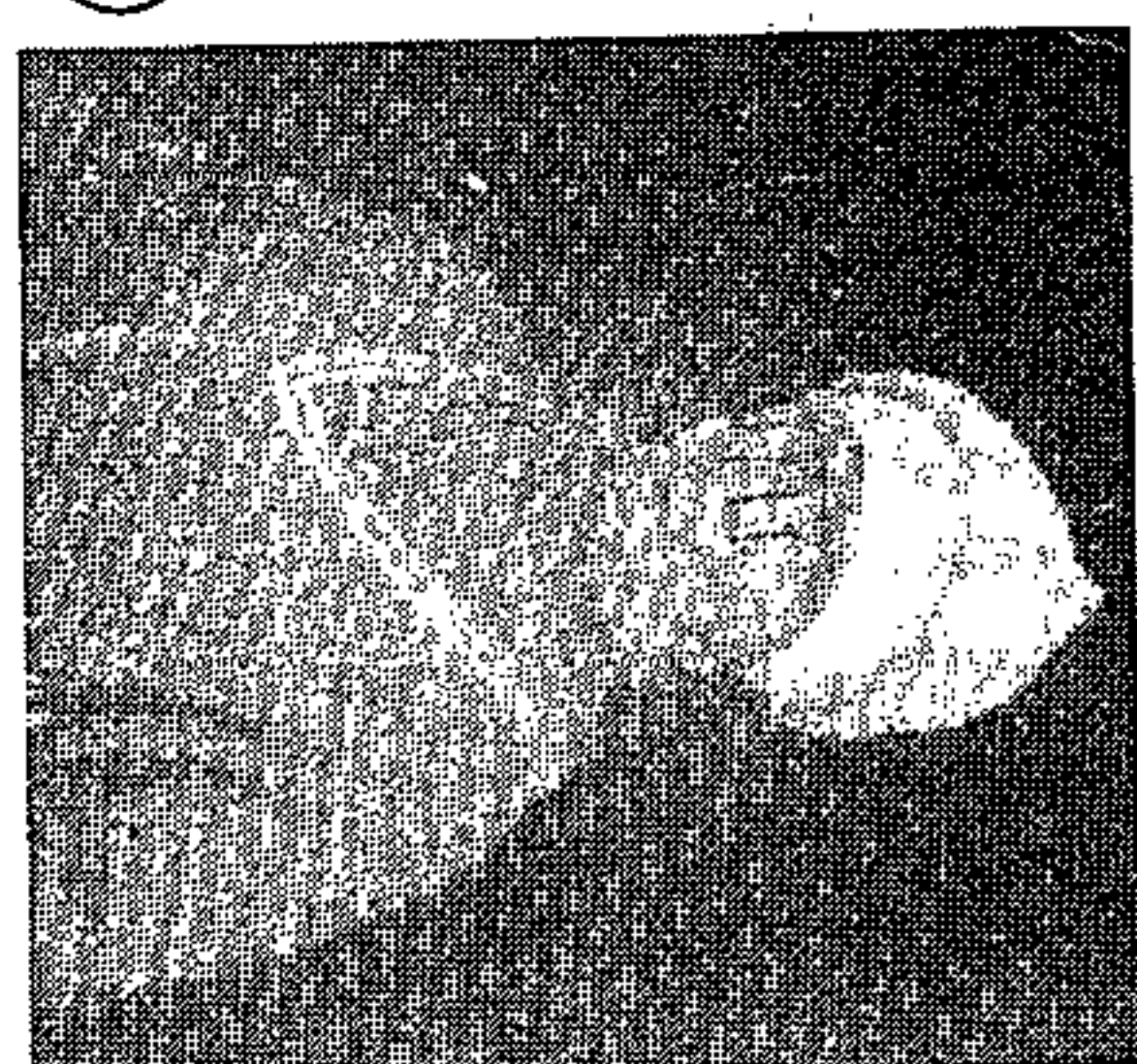
Jobs are scarce and those who can work are paid a pittance. Breadwinners in crowded households are under severe pressure as the hopes of 20 people can be pinned on one worker. And because of the large pool of labour available to mostly white employers, bosses can hire and fire until they find a workforce that panders to their every whim.

Suffering from temporary illness can destroy job security as other workers can instantly be found. Working overtime is a vital precaution to take and stayaways or go-slows invariably backfire in the relatively trade union-free environment

In Villiersdorp, for example, a stayaway protesting against VAT resulted in a divisive policy switch adopted by employers. Fire blacks and hire coloureds was their answer to political dissent, assuming coloureds to be more co-operative to the skewed status quo of the local political economy.

In Riversdale a furniture factory goes through its annual rignarole of retrenching a section of its workforce before the year's end. This forms part of a familiar pattern that has emerged in recent years, where Handelshuis bosses re-employ fired workers in the new year. This saves management from paying Christmas bonuses while relying on a smaller, overworked

Anne Hendricks



crew to keep production going through the festive season.

When the dismissed workers return to the fold, their wage levels return to the lowest rung of the salary scale and they are expected to work themselves up again.

In these small towns attempts to build unions with teeth are easily crushed and employers (mostly of Conservative Party political backgrounds) can do what they want.

South Africa's media, almost completely geared towards urban news, does a shoddy job of covering the rural reality and therefore succeeds in hiding outrageous living conditions from public attention.

Scant focus on these communities, which constitute a sizeable wedge of South Africa's geography,

tends to distort the urban public's perception of the national picture.

Urban debate around the economy is a case in point. For example, liberal arguments that warn of mass action endangering the economy fall flat when there is barely an economy to talk of in these areas.

What danger is there to the economy for the millions of Anne Hendrickses, who are treated like cattle by society?

What does economic stability mean for someone living in a shack with no water, electricity or proper toilet facilities?

In fact, the opposite approach has proved more accurate.

In Mossel Bay it was mass action that secured a greater degree of economic stability for those who moved into an empty housing complex.

In Villiersdorp the united black and coloured community were able to resist the job reservation programmes of white employers by threatening a consumer boycott.

But to paint a picture of widespread rural uprising is misleading.

On the whole, people have been battered into a subservient acceptance of their wretched lot. Fear and fatigue is commonplace and the goal of many is simply survival.

A lot needs to be done before Anne Hendricks wants something more than an old cow stable.

Unemployment to increase — survey

B/DAM 11/11/92.

HILARY GUSH

PROSPECTS for a higher level of employment next year remain gloomy, despite an expected gradual economic recovery, economists say.

In its latest monthly survey of confidence levels in the manufacturing sector, Sacob said: "Employment prospects in the manufacturing sector (in October) continued to deteriorate ... with an increasing majority of respondents expecting to reduce their employment of unskilled and skilled workers in the next 12 months."

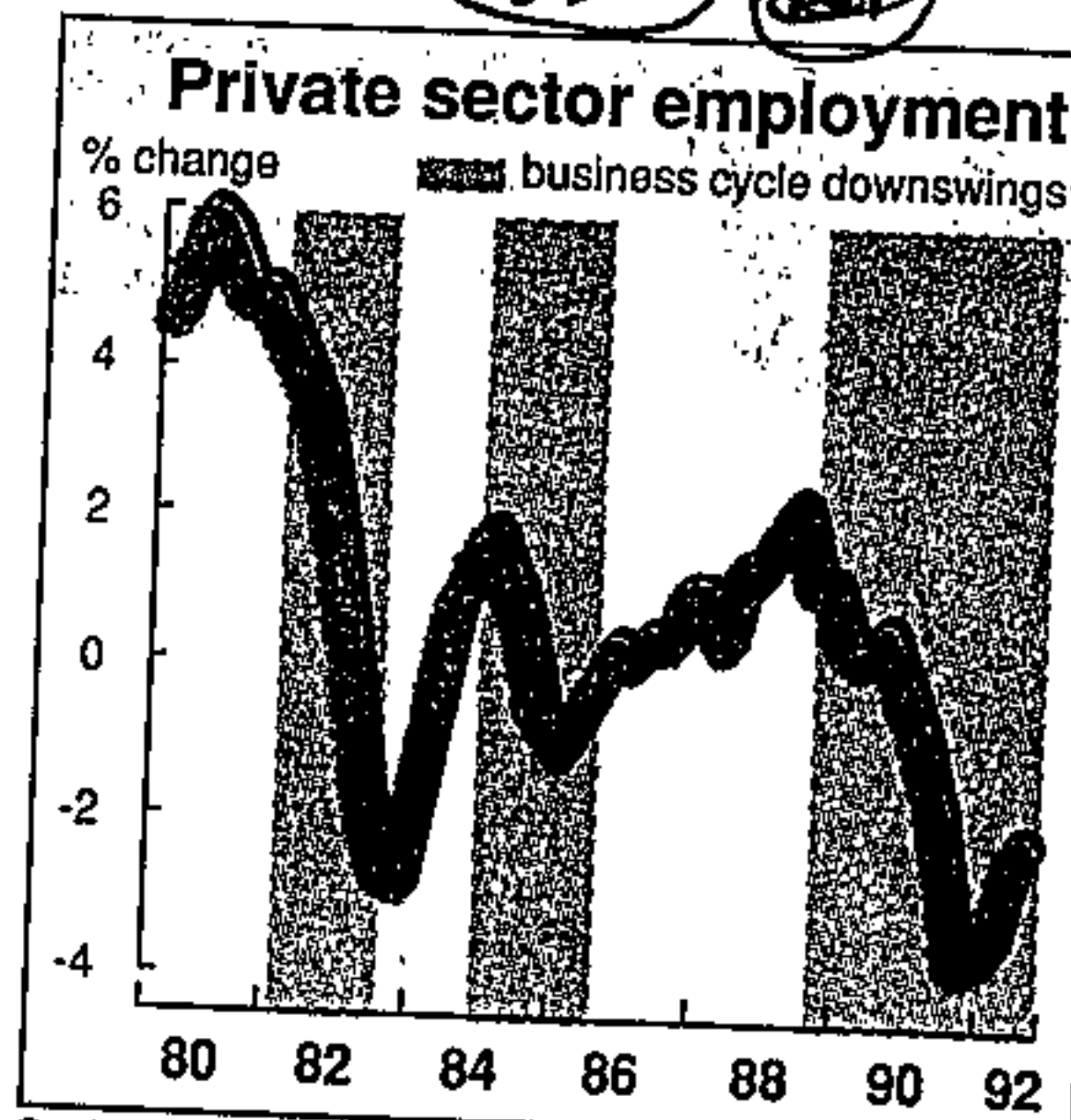
The results of the regional survey showed that 72% of Transvaal manufacturers expected to employ fewer unskilled workers and 63% expected to hire fewer skilled workers.

Maritzburg was the most optimistic region, with the 56% of manufacturers expecting to employ more skilled and unskilled workers during the next 12 months.

Sacob economist Keith Lockwood said manufacturers were not optimistic about an improvement in business conditions.

"This emerges from the continuing expectations of stock and employment reductions, as well as the poorer prospects for investment in new capacity."

Rand Merchant Bank economist Rudolf



Graphic: RUBY-GAY MARTIN Source: RMB

Gouws did not expect any improvement in private sector employment next year, and predicted net job creation only in 1994.

He said output growth in excess of underlying productivity growth — currently at about 1.5% — was needed before employment picked up.

Sanlam chief economist Johan Louw said the outlook for increased employment in 1993 was bleak. He said there would be more jobs only when economic growth outstripped the population growth rate, which was unlikely before 1994.

column 13/11-19/11/92
LABOUR BRIEFS

Merc retrenches

335
■MERCEDES BENZ is set to retrench 356 workers in cost-cutting measures. And they are offering workers such a good deal that they are queuing up to be laid off. Workers older than 55 years face retrenchment first. They will be credited with eight years salary for the working time they still had left. About 194 workers are affected by this; the rest will be voluntary retrenchments. Mercedes Benz workers are the best paid in the country.

'Christmas cars' for govt officials

SOUTH 14/11 - 18/11/92

By Karen Williams

THE HOUSE of Representatives, which plans cuts in coloured education to save money, has gone on a spending spree — buying luxury cars for officials.

Their "Christmas car" splurge cost the cash-strapped department hundreds of thousands of rands, according to a source in the House of Representatives.

Most of the cars were destined for the Department of Education and Culture (DEC), which has come under fire for plans to retrench school teachers as part of a rationalisation programme.

The House of Representatives (HoR) was tightlipped on the issue this week.

"It is a once in a lifetime happening that we buy cars," said Mr George Holloway, spokesperson for the HoR.

"There are no new appointees and so we have not bought any cars recently. We

will also not be buying them in the future — there is no money," Holloway said.

However, a source within the HoR provided extensive information.

"Since April this year the department has bought about 10 cars," he said.

Most of the cars were top of the range BMWs, although some Mercedes Benz's were purchased, the source said.

The government's Treasury gives money to the House of Representatives (HoR) which buys the cars with cash.

HoR officials with different designations are 'graded' differently, with car allowances varying accordingly.

"Directors qualify for an R87 000 car, while chief directors have more, usually over R100 000," said the source.

Ministers, as well as ministers' representatives qualify for the luxury car perks.

Called "Christmas cars" by government office workers, the luxury cars form part of officials' service benefits.

Every four years, top officials get new cars.

Four of the 10 cars bought this year were for former Labour Party ministers who joined the National Party.

Despite exhaustive attempts to contact the DEC for comment, they did not respond by the time of going to press.

The South African Democratic Teachers' Union (Sadtutu) slammed the department for "bad housekeeping" and "mismanagement of funds".

"We are questioning their priorities in spending. Teachers have become the first casualties of the budget cuts, not the bureaucrats," said Sadru regional chairperson Ms Vivian Carelse.

In August last year the HoR bought 13 new cars for officials.

• The DEC came under fire earlier this week when it was revealed that they spent R20 760 at Club Mykonos where they held a two-day meeting to discuss teacher retrenchments.

NEWS IN BRIEF

SOUTH 14/11 - 18/11/92

Men held for cell death

TWO MEN, aged 18 and 24, have been charged with killing a man in a Mitchell's Plain police cell two weeks ago.

Mr Moganat Jessop Majiet, 45, had been arrested for being drunk and disorderly. He was found dead in his cell the next morning.

The two men will appear in the Mitchell's Plain Magistrate's Court on November 20.

Union targets Sanlam

THE PAPER, Print, Wood and Allied Workers Union (Pwawu) is stepping up its campaign for the reinstatement of 2 000 Sappi workers retrenched in April. The union will stage a march in the city on Saturday and will hold picket demonstrations in the coming weeks.

Pwawu believes Sanlam is responsible for the retrenchments. Sappi is part of the Gencor group, which in turn is owned by the insurance giant.

Boost for hostels

WESTERN Cape hostel dwellers received a boost this week when the Cape Provincial Administration gave more than R23 million to the Hostel to Home Co-ordinating Committee (HHCC). According to an HHCC spokesperson, Mr Welcome Zenile, the money

will be used for first phase of upgrading migrant labour hostels in Langa, Nyanga and Guguletu.

Child rape arrest

A TWO-YEAR-OLD Swellendam girl, who was allegedly raped on Saturday night, is still receiving treatment Groote Schuur hospital.

A 34-year-old man, believed to be the common-law husband of the baby's mother, will appear in court this week on charges of attempted rape and attempted murder.

Reverend Bruce Duncan, director of Sateine, said: "We have to realise that communities must be educated to prevent similar cases. How many more babies have to suffer?"

'We want free houses'

LANGA RESIDENTS marched to Cape Provincial Administration (CPA) offices in Goodwood last Saturday to demand the disbanding of the Ikapa Town Council.

Residents allege that the Ikapa Town Council has failed "to attend to people's needs".

The residents are demanding that houses which had been rented in the area for years be given to them free of charge. They also want a hospital and more high schools.

5 Times (Buss) 15/11/92.
BY DON ROBERTSON

ONE business which is booming in the extended recession is a relatively new concept in the SA business world — outplacement services.

The casualty rate among retrenched middle and senior business executives is rushing to record levels as companies struggle to cope with the worsening economic climate.

Caring companies are increasingly using the outplacement groups to find "trusted and experienced managers" new careers after they have been retrenched.

Era

At least four companies are operating in this field. In the past two years they have been consultants for most of the companies in the Sunday Times Top 100 list. They have also been involved with parastatals.

Executives, some with salary packages of more than R250 000 a year, have been given their marching orders, in many cases because of mergers, restructuring or belt-tightening, says Neil MacDonald of Career Transition International.

"Employers realise that they have to be more caring than merely providing a

Good business in helping the retrenched (335)

good retrenchment package."

The recession and an end of an era of full employment have placed moral pressure on employers to help retrenched managers to find other jobs through outplacement counselling, says Mr MacDonald.

"For someone who has probably been used to hiring people himself, it can be frighteningly unfamiliar territory."

Counselling includes the development of a career plan, schooling executives in the laws of job hunting, writing CVs and self-analysis. In some cases, it also involves counselling to the survivors in a company because this ensures continued loyalty.

The service also provides retrenched managers with services, such as an office, telephone and a secretary, none of which would normally be available at home.

In some cases, consultation could last for up to a year.

Michael Hardaker, a director of Chart Outplacement Consultants, says that if left to his own devices, a manager could take, on average, a month for each amount of R10 000 of annual salary to find a job.

Board

His consultancy has been able to reduce this to three or four months.

A major consideration is instilling a sense of discipline. An office environment encourages displaced executives to work each day and thus maintain a momentum.

"We also offer services as a sounding board for their fears and assist them in marketing their capabilities," says Mr Hardaker.

In the past two years, Chart has helped about 300 people to enter new careers.

9v2r 100 000 jobs lost in six months

8/10/77
17/11/77
PRETORIA — More than 100 000 jobs were lost in three major employment areas — mining and quarrying, manufacturing and construction — in the year to end-June, Central Statistical Service (CSS) figures show.

In a release yesterday, the CSS said employment in non-agricultural sectors decreased by 2,1% with a decline of 7,6% in the mining and quarrying sector and 1,3% in the non-primary sectors in the period.

No significant changes occurred in average monthly wages and salaries.

CSS figures showed employment in the manufacturing industry fell by 36 399 to 1 394 419 in the 12 months.

In construction, the number of employed fell by 17 600 to 373 600, and in

mining and quarrying the decline was by 49 733 to 603 401.

Total employment in non-agricultural sectors decreased by 106 329 to 5 031 820 in the period.

Economists said since end-June, layoffs in virtually all sectors continued and were likely to continue.

They said CSS figures reinforced the view that the vast majority of the thousands of matriculants and other school-leavers would look in vain for permanent employment.

It was estimated that more than 300 000 black youths would be thrown into the labour market in the new year, they added.

GERALD REILLY

335

72 000 unemployed seek help each month

PRETORIA — The Unemployment Insurance Fund has so far taken the enormous financial strain of rising unemployment without being compelled to draw on the fund's R1.2bn capital reserves.

Unemployment insurance commissioner Jack Scheepers said yesterday on average the commissioner's office received 72 000 applications a month for benefits in the first nine months of the year, against about 62 000 last year. At present the fund's income from employee and employer contri-

(335) GERALD REILLY

butions and interest on investments amounted to about R125m a month.

Investment interest had to be used for the first time in years to supplement subscription income. A year ago income was roughly the same at R125m, but benefits payouts were significantly lower at between R95m and R100m.

Scheepers said it was unlikely it would be necessary to draw on capital in the next few months, but if

unemployment continued to increase the situation would be reviewed.

Up to end-September this year 2-million separate payments had been made to a monthly average of 210 000 beneficiaries, against 1.7-million payments to about 170 000 beneficiaries last year. Total benefits amounted to R1.18bn, compared with R907m in January-September last year.

Scheepers said the increasing number of beneficiaries and applicants had placed an enormous load on the commissioner's staff.

500 000 jobs at risk, says consultant

PRETORIA — The immediate business outlook is bleak, with the likelihood of another 500 000 retrenchments over the next year, says retrenchment consultant Work for Life.

MD Andre van Heerden said yesterday a broad section of industry would be affected, with engineering shedding 80 000 jobs and the textile and building industries likely to shed 60 000 each.

Trade unions and larger companies with social responsibility programmes were working to overcome the retrenchment crisis but the number of jobless continued to increase.

Van Heerden said the boom in the informal sector had alleviated the

problem for many thousands of people but the "micro entrepreneurs" received little official support.

Work for Life has a five-year plan to establish 300 productivity centres in deprived areas to provide technical training and teach business skills.

It says 500 000 small enterprises could be established, supporting as many as 5-million people.

It was hoped "this workable job creating project" would attract the support of blue chip companies, government, international development agencies, bankers and community organisations.

Van Heerden said it was clear

many SA companies were engaged in large-scale retrenchment programmes that would add thousands of workers to the ranks of the unemployed in the next few months.

It was estimated that 1-million workers lost their jobs between 1987 and 1992.

It was also estimated that 7-million South Africans had no recorded employment and official estimates were that more than 400 000 new job seekers would enter the labour market next year.

To provide jobs for them in the formal sector would cost an impossible R19bn, said Van Heerden.

The estimated cost of creating a job in the formal sector had jumped from R54 000 in 1985 to R140 000.

GERALD REILLY

'Urgent need for job creation accord'

DEALING with unemployment through short-term strategies could boost the peace process and ensure the success of political negotiations, says the Institute of Personnel Management (IPM).

In its report titled A National Human Resources Strategy, the IPM proposes that all stakeholders negotiate a national job creation accord.

The institute says the same process used in getting the national peace accord "drafted, signed and implemented" should be used to fashion the job creation accord.

It says the job creation accord is necessary to make the peace accord succeed. If

unemployment is not addressed urgently "the social fabric could disintegrate to such an extent that no new political dispensation will succeed".

The IPM cites kick-starting the economy through social investment, development of a massive job and skills creation programme and the upgrading of small business as short-term strategies to address unemployment.

The accord must be driven by business and labour and could be funded by, among others, government and foreign donors.

WILSON ZWANE

B/PM 20/11/92

335

Bleak job opportunities

for school-leavers in 1993

Learning Nation in New Nation

A critical shortage of job opportunities in 1993 for high school, technician and university leavers, has been outlined in the findings of a national survey recently conducted by the Quest Personnel Group. 2011-2611192.

In interviews conducted with 157 companies representing a staff complement of 135 000 people, it emerged that only 722 positions will be available in the new year.

Of these- 206 will be available for high school leavers; 231 for technician leavers and 422 for university graduates. However, prospects for university graduates are more favourable in Johannesburg, Pietermaritzburg and Durban than in any other region in the country.

The companies interviewed will offer a total of only 1 125 bursaries which embrace many the disciplines, but with greater emphasis on the sciences, engineering and technical areas. Competition for bursaries is fierce.

Commenting on the survey findings, Quest Personnel Group executive chairperson Roy Silver said: "The situation has definitely deteriorated since the beginning of 1992. Companies are running much leaner than ever before. University graduates with no working experience must be prepared to start at the bottom and reduce their expectations considerably in terms of high remuneration.

"The current economic climate is making it increasingly difficult for most people to afford any kind of tertiary education. School leavers

"First-time applicants will have to become far more industrious in their job-hunting techniques and ensure that they have done their homework thoroughly before attending interviews," Silver.

should think as entrepreneurs and consider starting businesses on their own. The alternative is to further their studies through practical courses, such as secretarial or technical diplomas, which will give them marketable skills.

"This critical situation is one of national concern. It is interesting to see for the first time that the affirmative action policies of a number of companies are impacting on job opportunities for white school and college leavers," said Silver.

"First-time applicants will have to become far more industrious in their job-hunting techniques, making use of all the contacts they have and ensuring that they have done their homework thoroughly before attending interviews. They should pay particular attention to the CVs and interview tactics to ensure that they make the best possible first impression. Candidates won't get a second chance," he stressed.

Work prospects 'worse than year ago'

A CRITICAL job shortage will greet those leaving schools, technikons and universities in 1993, according to a national survey recently completed by the Quest Personnel Group.

From the 157 companies interviewed, representing a staff complement of 135 000 people, only 722 positions will be available in the new year for job seekers.

In the Western Cape, 14 companies were interviewed, representing 11 000 employees. Job prospects in the Cape are particularly grim.

The firms surveyed will be offering only 12 jobs to school, technikon and university graduates.

Commenting on the survey findings, Quest executive chairperson Mr Roy Silver said the job situation had deteriorated since the start of 1992.

"Companies are running much leaner than ever before. The situation is one of national concern," he said.

University graduates should be prepared to start at the bottom and to reduce their expectations.

He suggested that school leavers consider starting businesses of their own or that they further their studies through practical courses. —

REHANA ROSSOUW

Jobless fly solo at 'hive' project

Scatter 2111-2511192

WHEN Mr Stevenson Tom had his fill of working for a boss at a large fibreglass factory, he decided to quit and go solo.

"We were selling our power for nothing," he said at the official opening of the Cape Town Job Creation Project (CTJCP) in Philippi recently.

The project aims to give enterprising black businesspeople the chance to start a business and to create jobs.

Tom, aged 30, has found success at the project's "hives" in Philippi. The 22 hives, based on nature's beehive, provide cheap working space for businesspeople to manufacture their products.

Also provided are security, access to the premises seven days a week, access to markets (townships) and other forms of help such as accounting services and

With the dismal state of the economy and lack of jobs, more and more people are opting to work for themselves. **Waghied Mibach** reports on a

successful job-creation programme:

marketing assistance.

The project has been in operation for two years and, until the opening of the hives, provided business counselling for 130 new businesses from surrounding townships including Khayelitsha, Mfuleni, Crossroads, Guguletu, Langa, Mitchell's Plain and Athlone.

A board member from the project, Mr Roland Charles, said the hive would provide a "shopping mall" atmosphere where people could browse after buying what they needed.

Spin-offs would include the possibility of large companies sub-con-

tracting to the hives, thus ensuring extra income and more jobs.

The project is an Urban Foundation initiative and is supported by the private sector. Barlow Rand, Engen, Anglo American and Anglovaal each contribute R400 000 a year to the project.

Another 50 companies each give R12 000 a year. The project was also given R65 000 by the British government at the official launch.

But while funding seems stable, the onus is on the businesses to secure their future.

Tom has two partners — Mr Zanethemba Dyantya, 22, and Mr Raymond Petersen, 25 — who have also worked with fibreglass, but were unemployed when they arrived at the project.

The three men make fibreglass kitchen and bathroom sinks and fibreglass roof sheeting. After being in business for two months they made a profit of R1 500.

But as they came to the hive with few tools and supplies — the project does not provide these — they plan to pump most of the

money back into the business.

Tom is married with two children and Raymond is unmarried with "one on the way", which make both of them eager to see that the venture works.

Tom is an ANC Youth League member and a former member of the Cape Youth Congress in Khayelitsha.

"We talk about empowerment all the time. This is where it is happening," he said.

Being self-employed has also taught Tom a few things about the perspective of the "bosses".

"Our boss went on all the time about being punctual and meeting deadlines. Now I realise how important time is," he said. "Sometimes we work seven days a week and go home late every night."

Among the other businesses at the project are dress designers, radio and television technicians, welders and carpenters.

Also based there is artist Mr Monani Nokwanda, 45, whose work includes scaled-down depictions of township life. He is paid R500 a month by Gallery 709 to produce work. He also makes leather goods, bringing his profits is about R1 000 a month.

The hive concept is not a new one, as the Small Business Development Corporation (SBD) also runs a number of its own in the greater Cape Town area.

Jobseekers flood SA despite its economic plight

By JENNIFER GRIFFIN

WITNESS Majiya, 23, needed work. But when he arrived in SA from Zimbabwe, he found fewer opportunities than his compatriots had promised.

"They said you could get any job you want," said Majiya, who has a matric. But the best Majiya could do was get a low-paying job at an apartment complex as a security guard, which also provides him with tiny living quarters on the roof.

The sinking SA economy, now in its fourth year of recession, is causing job losses at an alarming rate and the labour force can no longer absorb school leavers, much less people arriving from neighbouring states in search of work.

"The chances of a local person getting a job are one in 10. The chances for a foreign worker is almost nil," said Cosatu spokesman Neil Coleman.

Majiya is one of the lucky few to find a job. Between 1960 and 1965, 80,9 percent of SA blacks seeking work were absorbed into the formal sector, according to SA's Development Bank. Twenty-five years later, as 892 600 enter the workforce annually, only 33 000 new jobs are available.

Until recently South African gold mines, farms and factories employed thousands of workers from bordering states where job opportunities were limited. Now the gold mines are retrenching about 2 000 workers a month.

Such retrenchments affect surrounding countries. Some 45 percent of Lesotho's gross domestic product comes from the remittances of migrant workers, according to Francois Viruly, senior economist for the South African Chamber of Mines.

A miner's work is difficult, but, for some, at least it is a job. The work space is cramped, hot and deep underground. The wages are low, between R800 and R1 500 a month, and workers must live away from home in single-sex migrant hostels.

Most unemployed South Africans are unwilling to do that kind of work even though the Chamber of Mines has tried recruiting in the townships. Forty

percent of South Africa's gold miners continue to come from other countries, a 20 percent decrease from before 1975.

"Cutbacks in the mining industry have reduced the employment available to non South Africans," said Keith Lockwood, an economist for the South African Chamber of Business.

"Since the end of the first quarter of 1989 - the beginning of the current downturn - 300 000 people have lost their jobs."

Poor performance in the agricultural sector caused SA's gross domestic product to fall by 5,7 percent in the third quarter of this year. Suffering the worst drought this century, more than 5 000 farmers are expected to sell-up by the end of the year, according to a survey published in a local paper.

More workers will lose their jobs. Already 70 000 farm workers have been dismissed.

With no jobs on the farms, between one and three-million people could migrate to Johannesburg and other cities in a desperate search for jobs that don't exist.

In Alexandra township, north of Johannesburg, 60 percent of the residents are at present unemployed. Male hostel dwellers remain pitted against community residents and continue their battle against the 350 000-strong community.

Over 12 000 people in Alexandra are now dependent on food handouts from local church groups. Since February this year, over 500 women and children line up at the women's migrant hostel to receive small packets of food filled with peanut butter and soya beans. Many of the men have either been retrenched or killed in the past 18 months.

Unlike before, the migrant workers who settle in the township can no longer find jobs in the city.

More than 3 400 businesses have declared themselves insolvent in the past two-and-a-half years. Liquidations escalated to 1 387 in the first seven months of 1992. Foreign investment is down by 35 percent this year, according to the Reserve Bank.

Despite the country's growing problems, Majiya says he will stay in SA. "I need the work," he said.

Mint planning retrenchments

(335) DIRK HARTFORD (24)

THE SA Mint is planning to reduce its labour force as part of a restructuring programme, says MD David Powell. *B/DAY 25/11/92*

Powell would not be drawn on how many of the Mint's 750 employees would be retrenched as the matter was still subject to negotiations with the National Union of Metalworkers of SA and the SA Society of Bank Officials. (18)

Although demand for coins from the Mint was usually higher in the second half of the year, Powell said demand this year was down on previous years.

The mint was looking at the export market to optimise surplus capacity and bring in foreign currency, Powell said. Although quotes had been sent to European, Scandinavian, southern African and South American countries, there had been no takers yet, he said.

Mint planning retrenchments

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'Entrepreneurs needed'

8/10/92
THERE was no answer to SA's unemployment problem other than "an explosion of entrepreneurial activity", National Industrial Chamber (NIC) president Joe Magodi said yesterday. (335)

Magodi was commenting on a NIC industrial policy document which calls for, among other things, small firm representation at Cabinet level. (335)

The document should be discussed within the National Economic Forum, the NIC argued.

Disruption threatened

(335) STAR
By Thabo Leshilo
Labour Reporter

27/11/92

Cosatu and the SA Commercial, Catering and Allied Workers' Union (Saccawu) have threatened to disrupt the Miss World pageant at the Lost City in December because they claimed 4 000 members at 11 Sun International Hotels were retrenched.

However, Sun International said only 1 437 employees were retrenched.

The protest starts today with a march by retrenched workers to the Sun International head office in Sandton.

Workers will also march on the Lost City, to coincide with the opening on December 5, if the company fails to comply with protesters' demands by December 1.

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Dismai prospects

for school-leavers

STAN 28/11/92

MICHAEL CHESTER

335

ONLY three in 100 school-leavers can expect to find jobs in the formal business sector when the annual exodus from classroom to the labour market starts next week.

The vast majority of an estimated 440 000 school-leavers may have to face the worst unemployment crisis on record, say economists.

Surveys by the SA Chamber of Business show that vacancies in the formal industrial and commercial sectors may equal a mere 3 percent of the overall demand from school-leavers.

Sacob economic consultant Dr Ben van Rensburg warns that the severity of the jobs crisis has been underlined by estimates that at least 250 000 workers have already been hit by retrenchments since the slide into recession began three years ago.

The numbers threatened to multiply, he said. As the recession dragged on, surveys showed 66 percent of manufacturing companies feared they would be forced to make more cutbacks in unskilled labour in

● The State would plough about R2 billion a year into development venture capital funds to form the main spearhead.

● Financial institutions such as insurance companies and pension funds would tap their vast resources to provide R400 million a year for venture capital projects.

"Charity would not be expected at either tier," says Schwenke. "The investments would be closely monitored to ensure reasonable returns. There may be a failure or two, but we are convinced the high number of successes would mean initial investments would be recouped in a few years — with still better returns to follow in the longer term."

SBDC managing director Dr Ben Vosloo adds: "No economic miracle is going to happen through foreign investment and export promotion schemes alone.

"We must refocus on the true nature of economic development — a do-it-yourself process at grass-roots level in the cities and towns and villages."

MODEL EDUCATION: Harmony at Phuthing shows that the way forward is nonracial.

● Photographs: STEVE HILTON-BARBEE



the next 12 months — and more than 60 percent forecast more cutbacks among skilled workers. Cutbacks threatened to be most severe in the Transvaal.

"The outlook is grim," says Sacoob manpower expert Gerrie Bezuidenhout. "But school-leavers should not despair. Companies taking a longer term view of the necessity to replenish their staff with young blood will never slam the door on job-hunters who show real promise."

Van Rensburg says the unemployment crisis is top of the agenda for the National Economic Forum. Consensus on a co-ordinated plan of action was crucial between the three main players — business, unions and Government.

The crisis could not be blamed on the recession alone. Unemployment problems had been growing worse in a long-term trend.

Waltz into a job

In the 1960s, almost four in five school-leavers could expect to waltz into a job. The proportion had shrunk year by year until by 1990 it was down to 10 in every 100. By last year it was down to seven in 100 — and now perhaps down to three in 100.

"The causes are numerous — the steep increase in labour costs caused by galloping inflation, higher and higher wage demands as new black trade unions flexed their muscles, tendencies towards more automation and reliance on machines to escape labour problems and seek better productivity.

"We cannot depend on an economic upswing out of recession to solve the problem. We need to work out strategies to find longer-term solutions."

Dr Edwin Basson, senior economist at the Small Business Development Corporation, has tracked the unemployed workers and school-leavers who have turned to the informal sector.

He found in recent studies that if strict economic definitions were applied — taking a head count of workers drawing regular wages or salaries in the formal sector — unemployment stood at 6.3 million. However, 3.5 million of these had used their initiative to find work in the informal sector, which had grown at a phenomenal rate once apartheid started to crumble and socio-economic pressure forced the removal of many outmoded regulations that had stifled enterprise.

The rewards can be high. The Development Bank of Southern Africa estimates that the informal sector can now count its economic clout in billions of



rands — perhaps more than R30 billion.

More clues to the massive size of the turnovers being handled by mini-businesses were provided by a recent survey made by Central Statistical Services. A few examples of informal sector earnings:

- Black taxi services — R214 million a month.
- Spaza shops — R107 million a month.
- Shebeens — R65 million a month.
- Bricklayers — R57 million a month.
- Backyard mechanics — R50 million a month.
- Hawkers — R44 million a month.

The Self-Employment Institute also brightens the outlook for school-leavers with estimates of the results of going solo in business. Executive director Theo Rudman puts the combined incomes of white households running mini-businesses from home at more than R2 billion a year.

"There is clear evidence from studies carried out in South Africa," says a new report by the World Bank, "that the informal sector is increasingly providing a sustained source of income to a substantial

STARS 28/11/92.
portion of its labour force.

"As even the most optimistic scenario indicates that the formal sector will mop up unemployment quite slowly, informal sector growth provides the only plausible route to fill the gap for many years to come."

World Bank economist Peter Fallon puts encouragement of small business informal activities as one of the "obvious mechanisms" that South Africa should use in strategies to create more employment.

SBDC central region chief Jo Schwenke urges a massive programme to attack unemployment. He has laid out a package of proposals that envisages the launch of 50 000 new small and medium-size business ventures that would provide a stunning 2.5 million new job opportunities over the next five years.

The cost of the exercise looks high at about R12 billion, he admits. But he is convinced all would be recouped — with profit bonuses.

He proposes a programme on two tiers:

Engineers to sue over closed bureau

SI Times/Cape metro

By DE WET POTGIETER

EIGHT engineers and technicians left jobless by the closure of the Bureau of Mechanical Engineering at Stellenbosch University are suing the university for unfair dismissal.

29/11/92.
They men, Albert Marquardt, John Coutlakis, Helmie van der Westhuizen, Kobus van der Westhuizen, Abraham Kooiman, Frans Kotze, Piet Henn and Johan Marais, have also aired their grievances in letters to President FW de Klerk, Education Minister Piet Marais and Finance Minister Derek Keys.

They also claim they did not get help in finding alternative employment as promised.

The bureau closed at the end of September, following an announcement in June by Professor Christo Viljoen, chairman of the high-tech institute, that unfin-

ished projects would be completed by a new private company, Creative Engineering.

Fifteen engineers were subsequently retrenched.

The former managing director of the bureau, Professor Vos Hattingh, is the chief executive of the new company. He is also a shareholder in the company, along with Mr KG van Pressentin and Mr GR Marwick.

"Mr Marwick is a former colleague, but worked for the past decade for Armscor," Professor Hattingh said in his memorandum.

Five of the dismissed engineers and technicians said in a letter that the bureau relied on Armscor-related projects.

Before the bureau was privatised in April 1990, shortly after President de Klerk took office, it had a budget shortage of R3,4-million, and the men have questioned whether it was it feasible to privatise.

NPI CONFERENCE

Market 'absorbs only 85 of every 1 000 job seekers'

PORT ELIZABETH — Less than 85 of the more than 1 000 people who enter SA's labour market each day can be accommodated, says economist C J Meintjies of the Development Bank of Southern Africa's Development Information Group. (335)

Discussing SA's "alarming" unemployment situation, he told the Economics, Business Economics and Manpower research conference organised by the National Productivity Institute in conjunction with Vista University: "The rest are either unemployed or underemployed in the peripheral sector."

Statistics implied that the formal economy created few or no new jobs.

Political pressure to increase wage rates, such as the Sullivan code, had had a detrimental effect on employment. Employers had retrenched large numbers of workers to make possible payment of required wages to "the fortunate few remaining employees".

From the beginning of the economic downswing in 1989 to the end of 1991, 188 000 jobs disappeared, wiping out nearly all employment opportunity gains made in the formal economy from 1986 to 1989. The net increase in formal employment opportunities from 1986 to 1991 was 12 000 while the labour force increased by about 2,4-million. The official unemployment rate increased from 8,4% in 1980 to 12,0% in 1985 and 19,0% in 1991.

Manufacturing sector employers cited "labour problems" as the most common cause of the continuing drift towards greater capital intensity. An analysis of 76 sub-sectors within manufacturing indicated that relative capital-intensive industries grew at a much higher rate (4,2% a year) than the relative labour-intensive industries (1,5% a year) from 1972 to 1990.

Meintjies suggested that collective bargaining be conducted at the level of the enterprise rather than industry or national level. "Negotiations confined to this level is the rule in industrialised countries such as Japan and the US since it is targeted at the actual parties involved." A move in this direction could enhance negotiations on real labour issues rather than attain objectives completely outside the labour forum.

Structural policies to strengthen the capacity of the economy to create new jobs should cover a broad range of action, and should be built upon confidence in the future (restored by a steady socio-economic and collective bargaining environment), consensus about goals to be achieved and an equitable sharing of the costs of adjustment. — Sapa.

Four ways to fight unemployment

STAN 2/12/92

THE World Bank says one of the four ways to fight South Africa's unemployment crisis would be through special state subsidies to encourage companies to create jobs.

Such subsidies, says the bank, could be used as a temporary measure while longer-term solutions are ironed out, but with limits set on how long they run because of high costs.

Observers believe trade union controversy is almost bound to be stirred by a specific warning that two forms of labour market intervention must be avoided at present: aggressive national minimum wage policies and job-security regulations.

The World Bank has turned the spotlight on the scale of the unemployment dilemma amid growing alarm about the outlook for a 1992 total of 440 000 school-leavers now entering the labour market.

SA Chamber of Business manpower expert Gerrie Bezuidenhout has warned that surveys show that only three in every 100 can expect to find jobs in the formal sector.

The situation has worsened year by year since the 1960s, when four in every five school-leavers were eagerly recruited by employers.

The recession has compounded problems, he adds. As many as 250 000 jobs have already been wiped out. Most manufacturing companies fear they may be forced to

order still more retrenchments in the next 12 months.

The World Bank has voiced its own concern in an analysis of unemployment in South Africa, the latest in a series of informal discussion papers on the economic scenario.

The introduction of special employment subsidies, based on the size of payrolls, has been listed as one of four obvious mechanisms by which more jobs could be created.

It is a notion likely to be viewed as by far the most controversial item in the list.

The other three are already familiar on the agenda of experts seeking solutions — state schemes to launch projects relying on labour forces drawn from the unemployment queues; encouragement of small businesses and informal sector activities; and the improvement of black labour skills.

The World Bank argues that employment subsidies form "a natural choice of policy instrument" when wages stand relatively high compared with the pool of surplus labour.

If notes there are two alternatives in the shape of such subsidies — average and marginal. While average subsidies cover every worker on the payroll, marginal subsidies cover only the number of additional workers taken on after a fixed date.

If employment subsidies were introduced, says the re-

The grim jobs outlook for 1992 school-leavers has underlined the magnitude of the unemployment crisis. Now the World Bank has analysed the problems and joined the search for possible solutions, reports MICHAEL CHESTER.

port, it would be more realistic if they were targeted towards sectors with a relatively elastic demand for unskilled labour — normally sectors that were labour intensive and had potential to tackle export markets.

But when such subsidy schemes were evaluated, their impact on employment creation needed to be balanced with the impact of costs.

They should also be regarded as temporary measures — used to ease unemployment problems while plans were laid for more permanent labour-absorbing structures.

In the short-to-medium term, it was likely that new jobs would be generated by the launch of special employment programmes.

It was important, however, that such schemes were located in areas where there were substantial concentrations of surplus labour. "otherwise local wage rates may be bid up to the detriment of employment outside the schemes".

Care had to be taken to en-

sure labour-intensive methods were used and that the burden on public expenditure was eased by keeping wages below normal rates.

The special employment schemes run in South Africa in 1985/86 had paid much lower wages than prevailing rates, yet there had still been a strong demand for jobs.

There were two forms of labour market intervention that should be avoided, given the current circumstances: aggressive national minimum wage policies and job-security regulations.

"While it is true that an aggressive minimum wage policy could redistribute income towards the lower-paid by raising their real wages," says the report, "this could operate only at the expense of an absolute fall in the real incomes of other groups."

"In other words, this is an inefficient method of achieving an income redistribution as it lowers the growth rate of gross domestic product. It is also true that difficulties have

been encountered with this approach in other countries.

"A number of countries have also introduced tight job-security regulations. While the exact format of such regulations differs widely, the common feature is that employers have to obtain government permission before retrenching employees or closing down factories and offices."

"The theory behind job-security regulations is that employment levels would be higher than otherwise, given fewer retrenchments."

"In fact, available empirical evidence suggests that the imposition of job-security regulations actually reduces employment as employers become more reluctant to hire additional workers."

The World Bank adds: "Over the long haul, great priority is likely to be attached to improving the skills of disadvantaged groups. This should prove consistent with the objective of redistributing income. It should not be assumed, however, that this will automatically lead to a major improvement in the employment prospects of such groups, as there is little evidence that unemployment declines sharply by education among black school-leavers below diploma or degree level."

"This doubtless reflects both the inferior quality of the education received by blacks

when compared to that of whites and the persistence of labour-market discrimination.

"In the immediate future, encouraging the acquisition of job-related skills by blacks could be of more immediate benefit, while a closing of inter-racial educational standards would be beneficial over the longer term."

One mistake that should be avoided was any discouragement of the informal sector.

It had been commonplace in southern African countries to discourage such activities through over-zealous application of municipal regulations and by denial of access to public utilities.

"There is clear evidence from studies carried out in South Africa that the informal sector is increasingly providing a sustainable source of income to a substantial proportion of its labour force," says the report. "As even the most optimistic scenario indicates that the formal sector will mop up unemployment quite slowly, informal-sector growth provides the only plausible route to fill the gap for many years to come."

The magnitude of unemployment in South Africa was not only a considerable waste of resources, it was also a major source of current social unrest. The generation of more jobs must remain high on the policy agenda for many years to come. □

Falling demand forces job cuts at Foskor

By Derek Tommey

STAR 2/12/92

Foskor is having to cut back production because of continuing weak local and international phosphate markets.

This will result in the loss of 900 jobs, says MD JS Stanbury.

All employees, shop stewards and employee representatives were informed on Monday about the rationalisation and curtailment of activities.

Stanbury reports that inter-

national trade in phosphate rock declined by 33 percent between 1988 and 1991, with no improvement expected before 1994.

Local phosphate fertiliser consumption continued its decade-long slide and fell by 22 percent in the six months to June from the same period last year.

The company, which can produce 4 million tons of phosphate rock a year, is having to reduce output from February next year

as current stocks are unacceptably high.

The rationalisation programme will ensure that the company can remain internationally competitive, which would be to the long-term benefit of South African agriculture, says Stanbury.

Foskor's development trust has created 525 jobs in the Phalaborwa area in the past two years and will continue to give the area strong support, he says.

Sowetan 2/12/92

Mourning for 7 000

AN act of mourning for the more than 7 000 people who have died in political violence in Natal since 1987 will precede a mass peace prayer rally in Durban later this month.

The service at Westridge Park tennis stadium on December 13 will be conducted in English, Zulu and Afrikaans by church leaders of several denominations. Political leaders, various consular corps and international monitors have been invited to attend.

Taverners gauge impact

TAVERNERS are meeting today to assess progress in their four-day boycott of South African Breweries beer. A joint meeting of the National Taverners Association and the SA Taverners Association will be held at the NTA offices in Soweto to gauge the impact of their confrontation with the liquor giant.

The two organisations would also prepare for tomorrow's meeting with SAB in an attempt to resolve the dispute. They staged pickets in front of SAB's plant near Baragwanath Hospital during the past two days.

Sowetan 2/12/92

Epileptics unemployed

THE vast majority of people with epilepsy in townships and squatter camps on the West Rand, including Soweto, are unemployed, according to a study by the South African National Epilepsy League (Sanel).

There are about 50 000 people with epilepsy in Greater Soweto, Kagiso, Munsieville, Bekkersdal, Evaton, Lekoa, Mohlakeng, Sebokeng, Sharpeville, Boipatong, Orange Farm, Weiler's Farm and Alexandra, Sanel said yesterday. "The majority of the 50 000 people are unemployed - indications are that the number of unemployed people with epilepsy in this area can be as high as 39 000."

Foskor plans to retrench 900 workers in rationalisation

STATE-owned phosphate rock producer Foskor would retrench 900 employees in a rationalisation programme, MD John Stanbury said yesterday.

Foskor's beneficiation plant had the capacity to process 30-million tons of phosphate ore a year at a grade of 8,7% phosphorus pentoxide (P₂O₅) to produce 4-million tons of 36% P₂O₅ concentrate for the domestic market and 40% P₂O₅ for export.

But annual concentrate production would be less than 3-million tons by February because of weak local and international phosphate markets.

Stanbury said stocks of 1,5-million tons or 6 months supply were "unacceptably

JONO WATERS

high". Trade in phosphate rock declined by 33% between 1988 and 1991 and no improvement was expected before 1994. Consumption would reach 1988 levels again only in 1996.

Local phosphate fertiliser consumption had been falling for the past decade and had decreased by 22% in the six months to June, from the comparable period last year.

This was as a result of periods of drought, the end of fertiliser price control in 1984 and farmers' worsening financial position.

"The result of the rationalisation will be to ensure that the company can operate from a position in which it is internationally competitive to the long-term benefit of the SA agricultural sector."

Phosphate pentoxide is sold to the Fedmis plant at Phalaborwa, which is jointly owned by AECI's Kynoch

and Sasol; the Omnia plant near Rustenburg; and Kynoch factories.

The privatisation of Foskor, which was first talked about four years ago, was "not in the offing".

Meanwhile, WILSON ZWANE reports that about 5 000 members of the SA Chemical Workers' Union (Sacwu) plan to march on Sasol 1's offices in Sasolburg on Friday to protest against retrenchments at the petroleum company.

Joseph Maghekeni, vice-president of Nactu, to which Sacwu is affiliated, said yesterday retrenchments at Sasol 1 had resulted in evictions of workers who could no longer pay their bonds. A further 1 000 jobs were threatened.

He said the march by workers from AECI, Omnia Fertilizer, Kharbochem, Satipol, Sasol 1 and Sigma was intended to protest against retrenchments at Sasol 1 and the engagement of contractors to take over jobs of dismissed workers.

News in brief

Sowetan 3/12/92 Pageant picket protest

ABOUT 30 people held placard demonstrations outside three foreign embassies in Pretoria yesterday to protest against the participation of their beauty queens in the Miss World pageant at the Lost City.

The picketers were accompanied by United Nations observers and representatives of the National Peace Secretariat during the demonstrations at the Japanese, Israeli and US embassies. A small picket was also held outside the Bophuthatswana embassy.

Lighting up could cost you

A CIGARETTE could cost up to R2 000 in Johannesburg - if one lights up on a bus. The city council has banned smoking on all its buses and offenders will face a fine of up to R2 000. *Sowetan*

The council said yesterday a survey conducted in July had found that 76 percent of all passengers were totally opposed to smoking, compared with a survey in May last year in which 62 percent supported the prohibition of smoking. *3/12/92*

"The change in opinion is seen to be in line with a general increased awareness of the dangers of smoking and its unacceptability in confined spaces," said a spokesman.

'Kei, Ciskei at loggerheads

TRANSKEI yesterday lashed out at Ciskei military ruler Brigadier Oupa Gqozo for proposing the creation of an autonomous republic embracing Ciskei, the Border and the Eastern Cape. *Sowetan*

Gqozo told a summit on regionalism on Tuesday the envisaged republic would exclude Transkei for what he said were historical and political reasons.

The Transkei Military Council in Umtata yesterday dismissed Gqozo's address as "rantings and ravings" and said it had "a hollow ring of political bankruptcy". *Sowetan* *3/12/92*

Sasol workers want jobs

ABOUT 5 000 members of the SA Chemical Workers' Union will march on the offices of Sasol 1 in Sasolburg tomorrow to demand that they be reinstated. *Sowetan* *3/12/92* *(335)*

Most of the workers were dismissed in 1987 during a legal strike while others were sacked during the past five years. The march will begin from AECL at 3pm and proceed to the offices of Sasol 1 where a memorandum will be presented.

Secret boardroom

STAFF ST/2/92

A multimillion-rand contest is being waged at executive level in corporate SA. But such are the sensitivities of the issue, that it has become the "secret war" of the private sector.

Executive dismissal is on the increase, but in-fighting is hush-hush, as fallout can harm both company image and individual ego, especially when senior executives are in the firing line.

Some light is shed on the issue by Barry Jammy, head of the labour law department of attorneys Edward Nathan & Friedland Inc.

"It's an exaggeration to say aggrieved senior executives are beating a path to their lawyers' doors, but there is certainly increased activity in this sphere.

"Relatively few cases are made public because the issue usually crystallises around the severance package — money.

Packages

"Parties enter into negotiation and a frequent condition of successful settlement is that both sides observe absolute

Prickly task of firing a top gun

IN TIMES of deep recession,

companies are taking a close look at top management, and if they aren't delivering, they are axed — sometimes with a fight.

areas — including management tiers.

Jammy points out: "SA has traditionally favoured hierarchical structures and top-down systems of control. But things are changing. We are witnessing the end of isolation. Greater contact with global markets has opened a few eyes to what can be achieved by simpler, more responsive units.

"This new insight, cou-

ability, that is least affordable.

"In cases where unsatisfactory performance leads to dismissal, fairness is still the underlying requirement and, in that context, both parties normally prefer negotiation to confrontation in open court.

"Though companies often make a financial offer, it is as well for executives to appreciate that companies will not succumb to extortion. These are delicate issues. Perhaps it says a lot for good sense all round that so few go to court."

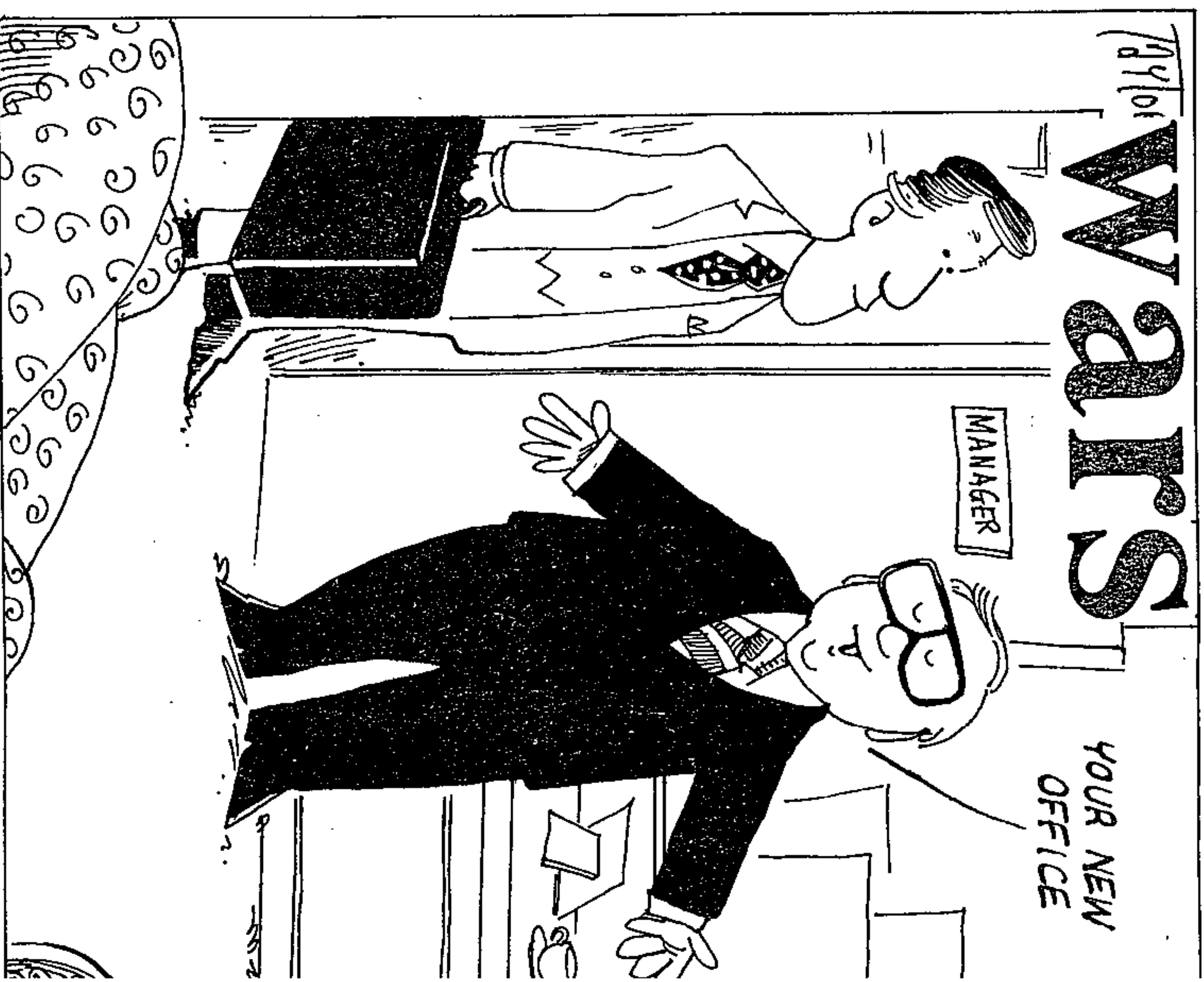
When they do come to court, either or both of the substantive and procedural aspects of the dismissal will be challenged.

Then certain aspects of labour law have to be appreciated.

Provisions of the Labour Relations Act apply to all employees of a company, not just "the workers". Claims of unfair labour practice are dealt with by the Industrial Court. Nine times out of ten, these relate to allegations of unfair dismissal.

Contractual

The relief petitioned for is generally reinstatement. But this is only ostensible redress in the case of a senior executive.



confidentially.

"It isn't possible to give exact numbers. If I had to speculate, I would say not more than one in 10 cases comes to court."

Nor it is possible to estimate the size of severance packages, other than to say they can at times be substantial.

In scenarios sketched out by Jammy, South African companies are fighting recession by critically examining poor or non-performance in all

pieces with the challenges of a continuing recession, has accelerated corporate re-evaluation. One symptom is executive dismissal. It is rarely dismissal for misconduct or dishonesty; rather, dismissal for inadequate performance. Alternatively, rationalisation may prune a whole tier or division.

"Fifty appears to be a dangerous age. It is frequently a time of managerial complacency when, in the context of re-employ-

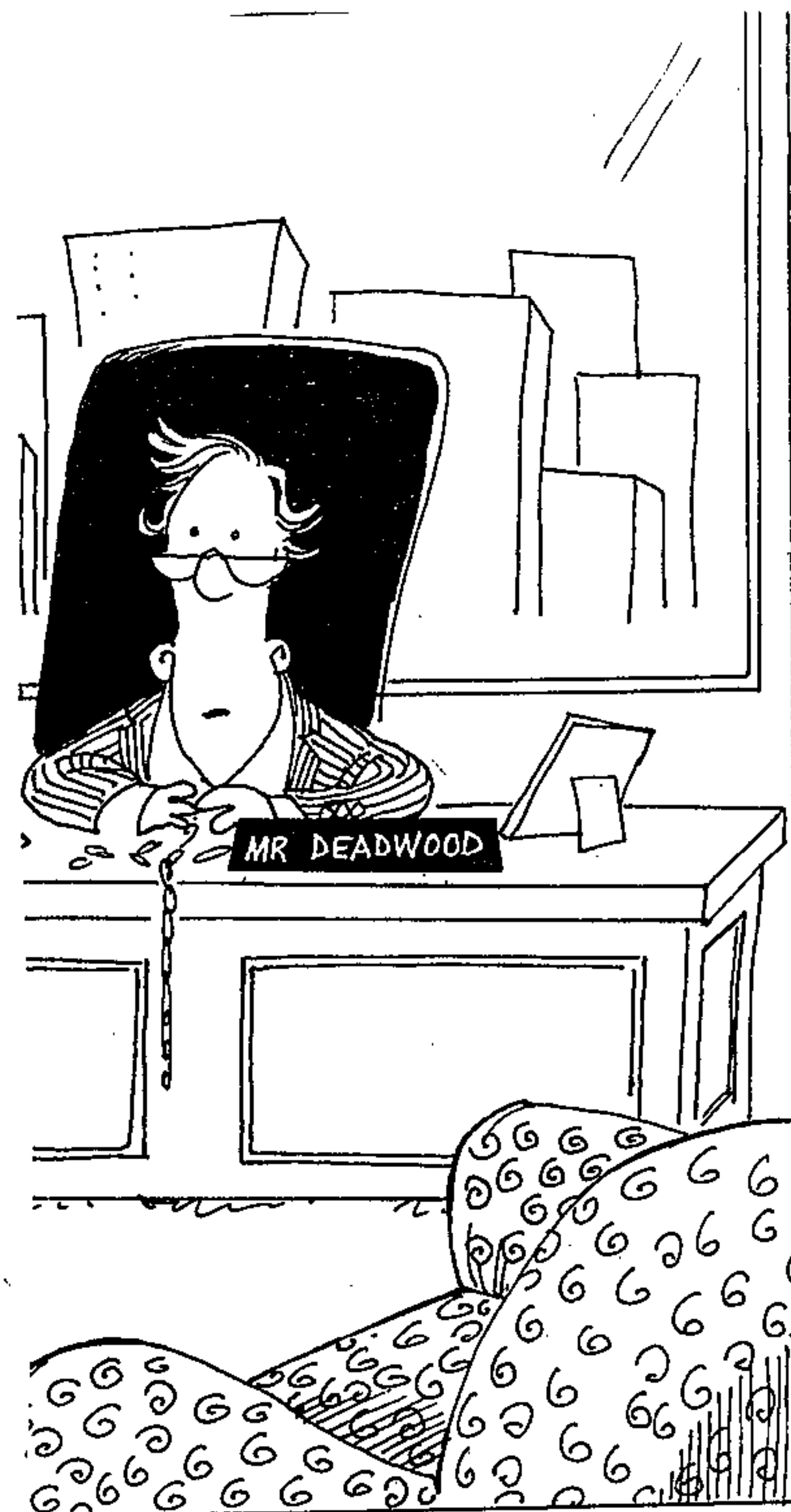
ment, the dismissal and subsequent action will have soured relationships to such an extent that financial compensation is the *de facto* goal.

Nor is there any statutory obligation on a company to come up with a severance package for the affected employee. Statutory provisions exist in English law, but not in SA. Here, contractual obligation is the key.

Jammy adds: "At the moment, attention seems to be focused on dismissal and the severance package, with attorneys being consulted by companies or affected individuals at the exit stage. But the spotlight may soon fall on the entry point — the employment contract that will be negotiated by the prospective executive with his potential employer.

"Currently, the stress laid, in law, on contractual obligation would lead me to advise an incoming executive to ensure that the issue of severance entitlement is adequately addressed in the contract of employment.

"It may also be in the company's interest to include such provisions. Clarity would be established from word go, the recruit's mind would be at rest and a lot of wrangling at a later stage could be avoided."



Town's agony as 900 miners face the axe

NEARLY 900 people in Phalaborwa are facing Christmas with the threat of unemployment hanging over their heads.

Foskor — one of the two main employers in the Northern Transvaal mining town — dropped the bombshell on its 2200-strong work force on Monday, but the individuals who will lose their jobs have not yet been informed.

Managing director John Stanbury told stunned employees the board had decided to retrench 40 per cent of the complement in order to cut Foskor's R90-million salary bill.

Initial shock gave way to despair as employees realised that they would not be told immediately who was affected.

"I would rather be told now whether or not I have a job next year. We have already paid for our holi-

By LYNN SMERCZAK

day and bought things for Christmas. Had I known I might not have a job, we wouldn't have done those things," said an employee.

The wife of a management official, who would not be named, was more philosophical. She said: "We've had a good life here. If my husband is retrenched, we will make the necessary adjustments. People are being paid off everywhere — why should our corner of the world be different?"

In addition to the personal hardships facing em-

ployees, the town is facing a major economic crisis.

Already hard hit by the drought and a consumer boycott that cost local businessmen millions, Phalaborwa is largely dependent on employees of Foskor and the Palabora Mining Company for its existence.

The boycott followed months of racial conflict after PMC's decision to integrate company housing and ended as a result of negotiations initiated by the Local Dispute Resolution Committee.

National Party town councillor and Chamber of

Business president Manie Kriel, who was involved in the talks, said the Foskor announcement had "not come as a complete surprise".

"We estimate that the town stands to lose about R2-million a year as a result of the Foskor decision," said Mr Kriel.

Schools — already faced with a sharp decline in pupil enrolment — will also suffer, although many have begun taking black pupils in order to stay open.

He said the Foskor cutbacks underlined the need for a business initiative designed to reduce the town's

dependency on Foskor and PMC which had also reduced staff levels through natural attrition and voluntary retrenchment this year.

"What we have to do is to become more effective and entrepreneurial. All we have to do is to set aside our prejudices and get busy," said Mr Kriel.

The Foskor decision has been attributed to "dramatic swings" in international trading patterns following the collapse of the Soviet Union and a 33 per cent drop in the world demand for phosphate rock since 1988.

Phosphate fertiliser consumption in South Africa dropped by 22 per cent from January to June this year, said Mr Stanbury.

"It has not been an easy decision and Christmas is no time to give people bad news, but we decided to tell employees of the decision to cut back staff as soon as possible so that we could start negotiating terms and procedures."

Concerned

"We plan to have implemented the cutbacks by the end of March which, we feel, gives those affected a reasonable period of notice," said Mr Stanbury.

The National Union of Mineworkers, which does not have a full recognition agreement with Foskor, is concerned that union members will be victimised during the cutbacks.

"We have asked for a meeting with management to thrash out terms and procedures for the retrenchments," NUM regional administrator Mr Patrick Lebea said.

Mr Stanbury said he intended consulting all employee representatives.

A little thought can save a lot in tax for retrenched workers

S/Times (B455) 6/12/92

By TERRY BETTY

COMPANIES can structure retrenchment packages to save employees thousands of rands in income tax.

Focused Finance executive director Chris Nixon says this need not cost the company anything. His message is: "If you are going to retrench, plan before putting a package together to make it as tax effective for the employee as possible."

Mr Nixon says tax is also affected by how the employee invests the lump sum in the year of retrenchment.

Retrenchments and early retirements are the two avenues used by a company when rationalising.

Companies prefer, where possible, to put staff on early retirement because the burden is then carried by the pension fund and not the company. However, this method can be used only if the pension fund has a surplus big enough to bear the strain.

The general limit for early retirement is 55 for men and 50 for women. Mr Nixon says the Receiver of Revenue may, in certain circumstances, allow people to retire at the age of 45.

An employee on early retirement receives lump-sum payments from a pension and/or provident fund as well as from the employer.

The tax-free amount is determined according to the employee's

average salary and the period of tenure, but is generally not higher than R120 000.

There is no tax on the first R30 000 paid by an employer in the form of a retirement gratuity. It may include accumulated leave and other lump-sum benefits.

The balance of the lump-sum payment is taxed at the individual's average rate.

This is where the employee has room to manoeuvre.

Car

Mr Nixon says the employee's average tax rate can be reduced if he or she is retrenched early in the financial year. A company considering retrenching staff members or putting them on early retirement should wait until March instead of acting in February.

For example, a person with 18 years' pensionable service earning R7 500 a month plus a car allowance and other investment income will pay tax at an average rate of 20,2% if retrenched in March. The tax rate will rise to 31,2% if retrenched in October.

Mr Nixon says this tax base can be whittled away even further if the employee makes a lump-sum contribution to a retirement annu-

ity. Not only is it tax deductible, but it reduces the average tax rate. The maximum amount that can be contributed is 15% of non-retirement-funding income.

Mr Nixon says it is essential to try to reduce the taxable income as far as possible in the year of early retirement. This will lower the average tax rate on lump-sum payments.

It is also important to place the lump sum in investments that will not generate taxable income in the first year of retrenchment.

Other tips include writing off all expenditure possible, such as pre-paying rent, to reduce taxable income in the first year of trading if the person sets up his own business.

Mr Nixon says the individual should try to arrange with the fund to have the pension payments paid annually in arrears in the following tax year, although this practice is under attack by the revenue authorities.

"One can often keep the average tax rate down to 17% by using the lump-sum contributions, effectively investing the money and structuring the business to achieve a loss in the first year of operation."

Similar rules of reducing the tax base apply to people being retrenched.

However, Mr Nixon says they receive a far lower tax-free lump

sum than people on early retirement.

Only the first R1 800 drawn from the pension or provident fund is tax free, the rest being taxed at the average rate.

The same rules apply to keeping the average tax rate low.

Retrenched employees can sometimes choose whether to withdraw all their contributions from the fund or leave them untouched.

Flexible

The general rule, that has to be verified in each circumstance according to the pension regulations, is that a person with long service is better off leaving the money in the fund if he does not need it.

An employee who has not been with the company for long should withdraw the entire amount. However, it is often best to transfer the cash to another fund or a retirement annuity to keep tax low.

Mr Nixon suggests that funds will have to become a little more innovative and flexible.

"People should be allowed to leave their money in the fund and withdraw it later in the year should they be unable to find another job."

Structuring retrenchment packages might be an administrative burden for the company, but it will pay off in improved relations with retrenched as well as remaining staff members.

Academic punts informal sector

UP TO six out of 10 "unemployed" South Africans are working in the informal sector, according to a survey conducted by political scientist Prof Lawrence Schlemmer.

Writing in the December edition of the SA Foundation Review, Schlemmer, HSRC group social dynamics GM, said much of the alarmist reporting on unemployment was an insult to the self-reliance demonstrated by "unemployed" people.

"Quite frequently rates of unemployment of 40% to 50% are quoted and the suggestion given that up to half the labour force is festering in frustration and drowned in misery.

"The intention might very well be to mobilise concern and then stimulate thinking about appropriate policies. If this is the intention, it has the opposite effect."

If unemployment were as serious

B/DPA 17/12/92 (335)
LLOYD COUTTS

as suggested there would not be hundreds of thousands of Zimbabweans and Mozambicans working in menial jobs South Africans did not want.

His survey was conducted among 1 660 black adults in SA and the homelands.

While 35% of the respondents said they were unemployed, only 21% indicated that they were looking for any work. Others said they were looking for suitable work.

Only 35% of the unemployed people said they would accept jobs paying less than R500 a month. Roughly 16% had household incomes of less than R200 a month.

"From these estimates one has to conclude that between 5% and 10% of black adults are unemployed and living in severe deprivation, at a level at

which an absolute shortage of food is an issue."

But, he said, the problem should not be underestimated.

"The estimates indicate that between 1-million and 2-million black adults are unemployed and living in households in which sheer starvation is the issue."

Schlemmer said self-reliance of the unemployed had to be strengthened by facilitating conditions and resources for small businesses.

"The sheer size of the working population outside the formal sector indicates that we must stop complaining about unemployment in general and start doing more to develop the informal sector.

"Once we do that we will be better able to identify the relatively smaller group of unemployed people who do need urgent relief," he said.

Ways to avoid lay-offs

South Africa 7/12/92
HERE are some of the more traditional methods by Denis Keenan-Smith which could be considered and applied before retrenchments are embarked upon.

- **Manpower Planning:** This is a more effective method and system which needs to be developed to cope better with the ups and downs in the economy.

- **Retraining:** More versatile employees are not only greater assets to the employer and can be re-assigned to other tasks, but are also better able to market their multiple skills elsewhere, if all else fails.

- **Job-sharing:** This method proved useful in maintaining an intact workforce and preserving jobs, albeit at the expense of an income sacrifice to individuals.

- **Lay-offs:** This method has been popular in

America and elsewhere, but is seldom used in a "pure form" in South Africa.

- **Overtime limits:** Setting limits on overtime worked has the theoretical advantage of not only preserving jobs, but of creating job opportunities for others.

- **Salary/wage cuts or sacrifice:** An arrangement can be struck whereby employees forgo the next accustomed salary/wage increase or take a pay cut against the possibility of a make-up at a later date.

- **Embargo on recruitment:** An enforceable rule to ensure the filling of most vacancies within the organisation and;

- **Embargo on retrenchments:** A self-imposed embargo could compel management and supervisors to apply their minds to retrenchment avoidance methods.

FOCUS ON JOBS *National job campaign launched*

Unions fight for *Sowetan 7/12/92* workers' survival

TRADE UNIONS are waging "war" against employers who are dismissing or retrenching their members as the recession deepens. They have embarked on national job security campaigns in response to widespread restructuring and rationalisation in the business sector.

There is also concern in the labour movement about reports that serious consideration is being given to the possible retrenchment of health workers, which could include doctors and nurses.

The mining and engineering sectors have been hardest hit by retrenchments.

More than 20 000 people have either been dismissed or retrenched in the engineering and steel sector this year.

In the mining industry, about 166 000 mineworkers have lost their jobs since 1988.

Another 100 000 mineworkers face the prospect of dismissals or retrenchments.

Most affected are workers in the commercial and catering sector.

Trade unions affiliated to the Congress of South African Trade Unions, National Council of Trade Unions and independent unions are all agreed on one thing - to stand up and fight for jobs.

"No retrenchments. Jobs for all," is the rallying cry among these unions.

The theme has been extended to include the phrase: "We will not sacrifice our livelihoods for capital's greed and mistakes."

Unions were unanimous that "unless management of companies are stopped they will continue to hack a path of destruction across shopfloors".

One of Cosatu's affiliates, the South African Commercial Catering and Allied Workers' Union, claimed that about 1 370 workers lost their jobs each day through retrenchments and that nobody knew how many were unemployed.

"Capitalism and state policy have caused a serious economic crisis in South Africa and workers are being hit

■ DEEPENING RECESSION

Grave concern that health

workers will be axed:

the hardest," Saccawu said.

Saccawu claims that many companies are selling off their trading rights while others are closing down or reducing staff.

Those reducing staff were employing a number of casual workers on low salaries with no company benefits at all.

These workers have little legal protection and in some cases management consistently rejected union's demands for trade union rights for non-permanent workers.

Trade unions demand the following for their members:

- Job security and job creation should be a top priority.
- Cost-cutting retrenchments should be avoided.
- Industrial restructuring should be negotiated.
- A national register of all retrenched workers be drawn up so that they can be placed in other companies willing to employ them.
- Alternative support system be set up generating an income for retrenched workers while unplaced.
- Non-permanent and contract jobs be phased out so that people employed under these conditions can be given permanent jobs.
- Industry-wide skills development schemes be established.
- A halt on all management wage increases and payment of dividends until job security problems are resolved and;
- The industry must take full responsibility for retrenched workers.

A KEY SPINOFF OF POLITICAL and economic demands in South Africa is the pressure brought to bear on the labour situation and the consequent retrenchments.

So says Dr Renate Rijavec Volpe, regional manager of the Witwatersrand Centre for Human Development, analysing the recent spate of retrenchments in the country.

Volpe, who has prepared a paper on how to manage retrenchments constructively, said unemployment "may paint a nightmarish scenario if left unattended".

She said: "We may face the worst in the country because unemployment, with its natural consequences of diminished self respect, financial stress, lowered standards of living, increased crime and theft could be the order of the day."

Merger and takeover of companies

Volpe said retrenchments were the beginning and the end "of a long line of events" for both the companies and their employees.

She identified the following factors as the main cause for the high rate of unemployment:

- The economic downturn.
- Companies are moving from one area to another at a rate of 2,7 percent yearly.
- Mergers and takeovers of companies which happen at a rate of 4,0 percent.
- Closure of companies - 4,8 percent.
- Contracting out - 6,1 percent.
- Usage of new technology - 9,5 percent.
- Restructuring - 18,4 percent and;
- Other factors - 2,0 percent.

She said: "These factors in retrenchments have disastrous consequences for companies and the individual employees if managed poorly."

With dreaded anticipation

Volpe said for companies to retrench staff was viewed as "a scenario long foreseen with dreaded anticipation".

She added: "Once accomplished it brings with it a host of difficulties in respect of demotivated and untrained staff.

"For the individual staff members this is an ego bashing experience, irrespective of how earnestly the company attempts to depersonalise the experience," Volpe added.

She said retrenchments consisted of a four-phased process.

These were management consultation on such issues as policy, package, company dynamics, managing executive stress and preparation of managers and supervisors.

Retrenchments have to be managed constructively says an expert as workers experience an ongoing nightmare caused by losing their jobs. **Ike Motsapi** spoke to labour expert Dr Renate Volpe about the problem.

(335)

(1501)

Sowetan
7/12/92

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Upturn in 1993 Sacob

By Michael Chester

1,5 and 2 percent by the end of the 1993/94 fiscal year.

The economy will begin to recover in the next 12 months, the SA Chamber of Business (Sacob) predicted yesterday when it announced that business confidence rose in November to its highest level in more than a year.

Sacob's business confidence index increased last month from 90,1 to 93 points — its highest since the second half of last year — partly because of a rise in business optimism resulting from new bilateral talks between the Government and the ANC.

Sacob forecast a gross domestic product (GDP) growth rate of 1 percent next year, climbing to between

However, with 300 000 jobs already axed by the formal sector in the prolonged recession, Sacob feared there was still no indication that retrenchments had come to an end.

The creation of new job opportunities was unlikely to resume in earnest until production levels picked up momentum in the second half of next year — but opportunities would still fall short of the number of new entrants into the jobs market.

Economic recovery also hinged on an end to the drought, the nature of the 1993 Budget, and the performance of key overseas economies, Sacob said.

● Still nervous - Page 27

CSS highlights massive unemployment

B10A4 11/12/92
GERALD REILLY

PRETORIA — The massive unemployment of more than 2-million people was dealt with in one of two adjusted 1991 census reports released yesterday by the Central Statistical Service (CSS).

It said the total population, including the TBVC states, was 37 737 620.

Almost one in every five workers — 18,2% — considered themselves unemployed last year.

The CSS said the total number of workless was 2,1-million.

The proportion of the total population which was self-employed almost doubled in the 10 years to 1991, highlighting the spread of the informal sector.

Among coloureds and blacks the increase was more than double

while among whites and Asians it increased by 71,9% and 97,2%.

Since 1985 there had been no significant changes in the percentage distribution of workers except in agriculture where the percentage decreased by about a third.

The number of actual farm workers decreased by 11,7% since 1980 to about 1,1-million.

The services sector remained the most important employer, using more than one in every five economically active persons.

Second was manufacturing which showed a decrease since 1985 from almost one in six to one in eight in 1991. Third as an employer of labour was agricul-

ture, followed by commerce. Numbers of domestic workers also rose sharply from 1985, by 31% to 938 000.

The number who categorised themselves as teachers increased by almost 69%.

Of the total population, 37,5% were economically active in 1991 compared with one in every three in 1960. The increase was due mainly to more women working.

The income figures showed 38,6% of whites earned between R10 000 and R29 999 a year. Asians in this category totalled 40,1%.

In the income group R1 000 to R2 999, 28,4% were coloureds and 32,8% blacks.

For the population as a whole less than one in every 200 had an income of R100 000 or more.

The CSS said the growing proportion of informal dwellings highlighted the urbanisation problem.

It said 15,8% of blacks were living under these conditions compared with 3,9% in 1985.

The reports are the first of 26 final '91 census reports, covering 16 000 pages, to be released by the end of the year.

The Transvaal was by far the most populous province with one in three people living there, while one in five lived in the Cape.

One in every four — about 8-million — lived in Natal and KwaZulu while more than 23% — 7,2-million — lived in the PWV area.

On education, the CSS said those with standard six or higher qualifications increased from 32% in 1985 to 37% in 1991.

Economically active people on increase, census shows

By Louise Marsland

South Africa's population topped 30,9 million in 1991 and is more economically active, despite the fact that 2,1 million people are unemployed, latest census figures reveal.

The Central Statistical Service (CSS) yesterday released the first results of the 1991 census. By March 7 last year, the figures for the various population groups were: whites 5,06 million, coloureds 3,28 million, Asians 986 620 and blacks 21,64 million. The population for the TBVC states was 6,7 million, bringing the SA/TBVC population to 37,7 million.

The census showed that a strong increase in the number of working women in all population groups resulted in 37,5 percent of the total population being economically active during 1991, compared to one in three in 1960, and less than 34 percent 12 years ago.

In 1991, as in 1985, the services sector remained

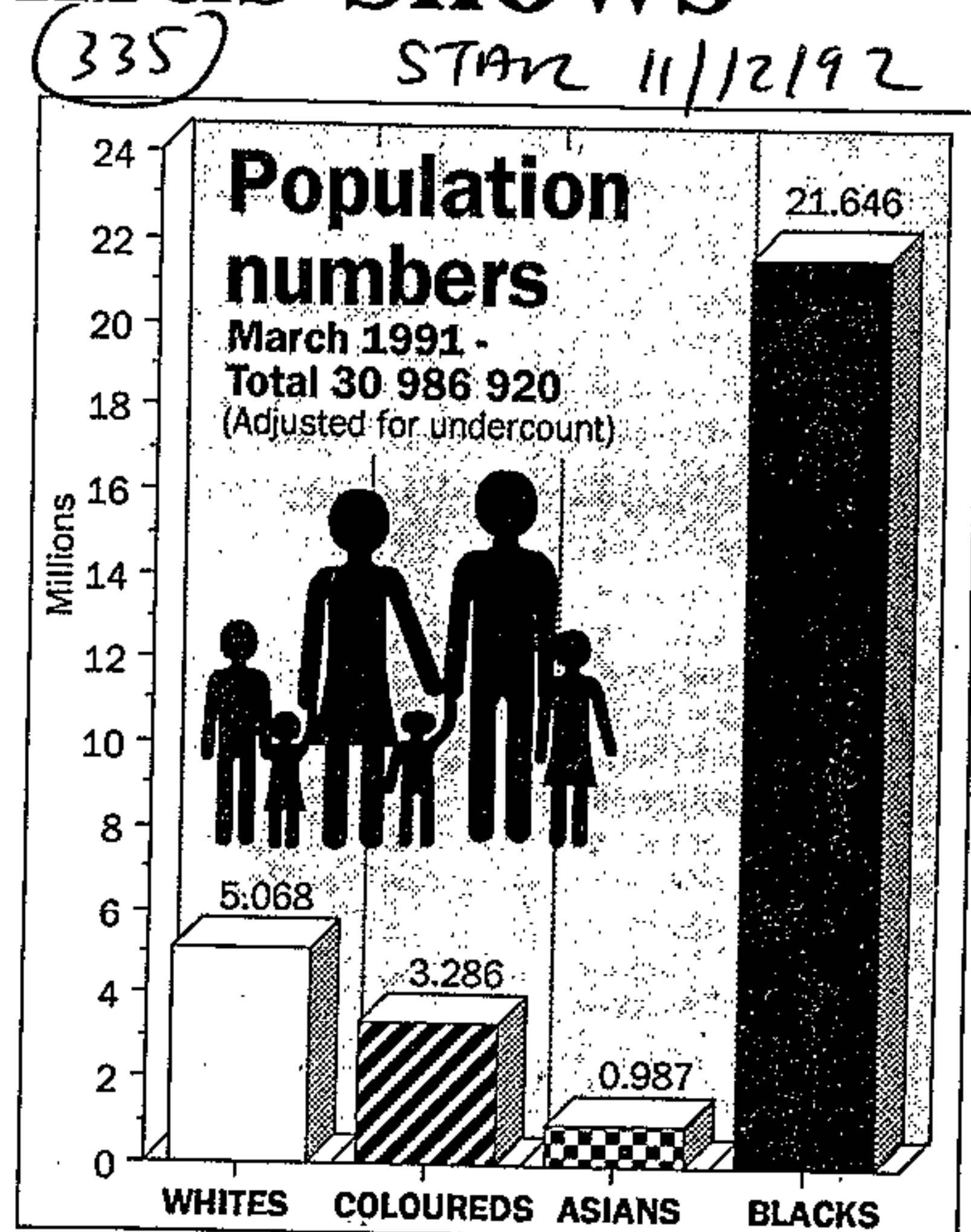
the most important employer, employing one out of every five economically active people. There was a decrease in the number of people employed by the manufacturing and agricultural sectors.

In 1985, the agricultural sector was the third most important employer, but since then has employed 33 percent fewer people. In particular, the number of farm workers decreased by 1,1 million (11,7 percent).

The number of people self-employed has almost doubled since 1980. There was also an increase in the number of domestic workers and teachers.

Of the economically active population, 2,1 million — one out of every five — considered themselves unemployed: 95 000 whites, 229 000 coloureds, 48 000 Asians and 1,7 million blacks.

Up to 40 percent of whites and Asians fell into the income bracket of R10 000 to R29 999 a year, whereas most coloureds and blacks earned R1 000 to R2 999. Less



than one out of every 200 people earned more than R100 000 a year.

The population is generally better educated, with 49,1 percent of youngsters seven years and older indicating they can speak, read and write English. The number of people in possession of a Standard 6 or higher level of education

increased from 32,6 percent in 1985 to 37,4 percent last year.

Regarding the state of marriage, the number of unmarried white couples living together increased by 87,4 percent from 1985 and by 700 percent from 1970. The divorce rate among whites increased from 1 percent in 1985 to 4 percent in 1991.

Govt 'may make retrenchments tax free'

GOVERNMENT might soon announce tax exemptions on retrenchment packages for employees in the lower income bracket, according to sources.

It is understood that Finance Minister Derek Keys has agreed to a request from mining industry employers and unions to exempt some retrenchment packages.

Sources said the new deal would apply to workers in all sectors and would probably involve payouts of less than R50 000.

A spokesman for Keys, who is on leave until January, was not able to confirm or deny government approval for the scheme.

~~335~~ DIRK HARTFORD

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This year alone several hundred thousand workers have been retrenched in the manufacturing, building, mining and public sectors.

The gold mining industry alone has lost 150 000 jobs through retrenchment since 1987. And about 35 000 workers were retrenched in the metal industry this year — the same as last year.

Predictions are that this scale of retrenchments will continue next year if the economy does not turn around.

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The undoing of the UN

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alternative was on offer. The same is likely to happen in Bosnia.

Secondly, peace-keeping operations must remain an expression of collective security and must be financed internationally. Clearly, European states and institutions should bear the major burden of any conflict on their continent. Yet such operations must be co-ordinated on the larger scale for otherwise they would lack the staying power which is essential for long-term success. The participants in the Bosnian operation are shortly proposing to pass on the begging bowl to other states. They will quickly discover that Japan will refuse to contribute, claiming that it is already doing enough in Cambodia, and that Middle Eastern states will impose impossible conditions for their support of Bosnia.

Behind the scenes, a furious dispute about sharing the costs of UN operations has been going on for months. The US has suggested that, instead of outright financial contributions, it should help in kind, by placing its vast quantities of military equipment pre-positioned around the world at the UN's disposal. However, nobody is able to agree on the costing mechanisms for such payments and little has been done.

For more than a year, the UN Secretary-General has tried to start a debate about his organisation's future peace-keeping operation. Apart from soothing words, no reply ever came. Instead, from Yugoslavia to Somalia, the UN was asked to approve a series of haphazard moves, a set of incremental steps which, although well meaning, provide no long-term solution. The operations in Yugoslavia indicate that the notion of UN collective security is in need of an overhaul. For the present precarious operation, straddling peace-keeping and peace-making promises at the same time and bereft of political support, will collapse.

Urgent call to overhaul UIF soon

JOHANNESBURG. — An urgent overhaul of the Unemployment Insurance Fund (UIF) was needed and recent efforts to improve efficiency were not sufficient, the Mouton committee report has said.

The report, released this week, said further efforts were urgently needed to improve perceptions of the fund.

However, manpower department spokesman Mr Johan Smit yesterday did not agree.

He said the Unemployment Insurance Board, comprising employer organisations and trade unions, would have informed the minister of manpower if negative perceptions existed. The board advises the minister on the fund.

He said the National Productivity Institute (NPI), last year found the fund to be productive and effective. The NPI had made some recommendations on computerisation and claims handling.

"Through its own efforts, the UIF has succeeded in paying out benefits within four weeks of an application being lodged. A year or so ago, it was about eight weeks," Mr Smit said.

However, the report said this was not so as 40% of the more than 70 000 applications received monthly could not be paid within four weeks, largely because of employers not complying with the UIF Act.

JOB MARKET

Beware Shady 'consultants'

S/Times

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13/12/92

By ADRIAN HERSCH

BUSINESSES that cannot afford the high legal costs of industrial court cases are in some instances being taken advantage of by "consultants" acting on behalf of dismissed employees, claim a number of employers and labour lawyers.

The effect of this, and stringent regulation regarding dismissal of employees — even more stringent than some other countries in the world — is having an adverse effect on the economy and stifling job creation.

The introduction of a small labour court (SLC), which is being planned, may address some of the problems.

But until such time as legislation changes, there are a number of remedies available to employers — large and small — to combat cases where unfair advantage is being gained, says labour lawyer Rod Harper.

He says that, in many instances, consultants take on cases of dismissed employees regardless of the merits of the case.

"They drive the matter and attempt to force the employer to settle the matter on an extravagant basis, rather than facing the threat of legal proceedings."

"The company would rather pay, than spend two days in court where substantial costs can be involved."

Split

Mr Harper says a method commonly used is that the dismissed employee pays no deposit or other fee to the consultant.

An agreement is struck where the settlement — for example, six months to pay — is split on a 50-50 basis between the dismissed employee and the consultant. The dismissed employee therefore has nothing to lose.

"Some consultants will try to get as best a settlement before legal proceedings begin, with the aim of ultimately avoiding legal proceedings."

"Where there is no sound case any competent labour lawyer will whip them in court," he says.

Mr Harper says it is ironic that when employers settle out of court, even though they

may have a fairly sound case, they are encouraging the process where consultants take on cases even where the merits are poor.

But he has noticed some changes recently. "Some employers are getting fed up, and where they have a good case they are taking up the challenge head-on."

"They believe a process tantamount to blackmail is emerging and are determined to fight it."

Louis Moll, senior industrial relations manager of First National Bank, says the company stands firm on its principles.

"It is important for our clients to be trustworthy of us, especially when you consider we are in the banking sector."

"On matters of principle we will fight cases, irrespective of costs."

But Mr Moll is particularly concerned about those in small businesses. He says: "Fighting a case can take days and weeks out of the life of the head of a small business. He loses production, and the legal risks can be high. His business can go under."

"You may find that some of these people will rather pay out a few months' salary, regardless of the merits of the case, to continue being in business."

"It's not the employer's fault, but there is a breakdown of justice."

Mr Harper says there are a number of options open to those in small and medium-sized businesses.

"Many fall under industries where there are employer federations. If they are not members they should look to join, because specialist industrial relations advice is provided to members."

"For example, in the steel and engineering industry, Selsa gives advice. In building there is Bilsa, in construction Safec, and so on."

"Employers should look carefully to see if there is some kind of employer federation and, if so, to see what industrial relations advice is available."

While some provide advice only up to the point of legal proceedings, Mr Harper says this is invaluable.

"The golden rule is to take advice before the action, such as dismissal, because one of the advantages of getting 'advice in advance' is that it is the best way of minimising legal costs."

"There is a responsibility amongst business people to make the right moves from the beginning. This is, after all, in the interests of employers and employees, which makes for sound labour relations."

Retainers

Those in the smaller businesses that do not fall under employer federations can pay retainers to labour lawyers.

"It is not widely known, but a small company could be on retainer for as little as R150 per month with some legal firms," he says.

Mr Harper adds that employers should be alert to a number of methods being used.

"Some consultants are going to naive employers and quoting case law purportedly supporting their client's case — when in many instances the case law is irrelevant to the issue in dispute," he says.

He says another problem that has arisen is that persons claiming to represent "trade unions" are making demands on behalf of dismissed workers.

Mr Harper says it is important to check that these "unions" are registered as such, because some appear to be "businesses operating under the guise of trade unions."

"Unfortunately, this tends to destroy the goodwill of proper trade unions in the eyes of certain employers," he says.

Professor Adolph Landman, of the law faculty of the University of SA, says there is no controlling body which has any say over the way in which consultants operate.

"Free market forces operate and there is nothing to stop a consultant reaching an agreement with a dismissed employee to split up the settlement given by the employer."

"Some consultants are doing good work,

maybe some others are not."

Mr Moll says that, with the introduction of a SLC, at least part of the problem will disappear.

"It will cut down on costs and the process will be quicker. At the moment it takes about 12 months for a case to be heard in the industrial court. An employee can be temporarily reinstated and remain on the payroll while you wait for the case to be heard. At least that will be eliminated," he says.

National Manpower Commission (NMC) acting chairman Frans Barker says the restructured NMC will meet in January.

He says: "We'll be looking at the restructuring of the Labour Relations Act, and the proposed SLC will be part of it."

The SLC is expected to cover issues including suspensions and individual dismissals.

Some employers are concerned that even with a SLC there could still be leeway for a choice of the industrial court if it is so wished — which they feel could be a "move back to square one."

Dr Barker says it is important in terms of rights that some form of choice be offered.

Clarity

"It is likely that in simple, straightforward cases the choice of using the higher court will be discouraged. In more complex cases the presiding officer of the SLC may refer it to the higher court," he says.

Dr Barker says the problems small businesses are having is understood. "It is possible that more clarity on rules — for example, on dismissals — could be issued, which could introduce a far greater degree of certainty in the SLC relating to it."

Dr Barker says many countries in the world are moving away from rigid legislation on job security.

"Some of these laws hamper job creation. It is necessary that we have laws which encourage employers to take on workers."

Employers who face mounds of red tape when having to dismiss are likely to turn to more capital intensive methods of operation.

Recession forces 12 000 job losses on Barlow Rand

By Stephen Cranston

Barlow Rand's primary duty to SA is to maintain and grow its companies so that they continue to provide employment, goods and services for the benefit of society as a whole, says MD Derek Cooper in the annual report to end-September.

Cooper says the group will be able to enhance the quality of its earnings and its asset base in four sectors.

One is selected commodities to ensure that Barlows shares in the cyclical upturns characteristic of these businesses without becoming unduly affected by downturns.

Another is consumer products with strong brand names, which represent an important element of growth as SA continues to urbanise.

A third is capital goods, which provide stimulus in times of increased fixed investment.

Fourthly, Barlows will benefit from export earnings and profits generated overseas, using its South African skills base.

Capital expenditure was up 33 percent to R1,839 billion, of which 35 percent went on industrial companies, including R98 million on a new beverage can plant in Springs, 43 percent in food and pharmaceuticals, with R209 million on a new maize mill in Maritzburg, and 23 percent on mineral resources.

Another R1,75 billion has been earmarked for the year to September 1993.

During the year Barlow Rand retrenched 11 700 people, which chairman Warren Clewlow attributes to the need to downsize



Warren Clewlow... need to downsize some companies

some companies because of the serious effects of recession.

He says it is a sad reflection of our times that a group such as Barlows has to shed so many people, some possessing special skills.

He says the cost of recession is far worse in terms of human suffering. The cost is measurable not only in jobs, lost but in jobs not created.

Clewlow says about 6 million people, representing some 40 percent of the workforce, need work.

He says the national Budget for many years hence will have to cater for large-scale employment schemes in order to get people off the streets and into productive work.

Clewlow says there is an urgent and immense challenge of uplifting the population in areas such as housing, healthcare and education.

Substantial funds have already been made available through various forums to launch this effort, but the unstable environment has undermined the ability of those charged with this responsibility to impact significantly on these problems.

Clewlow says SA needs to be better plugged in to the changing global environment by promoting a significant increase in foreign investment to bring in capital and skills and by bringing SA up to international standards in its working, living and educational environment.

The task will not be easy, but "we have an incredible opportunity to meet the challenge that time and circumstances have placed at our door and turn it to good account".

"The alternative is an ongoing slide into increasing poverty, marked by squabbles and skirmishes and watched with detached concern by a world that has lost interest."

Cooper says the group has worked hard at accentuating training in the direction of developing programmes for black employees with the ability to rise to management level.

Barlows has spent R80 million on training and development.

The social investment programme is focused primarily on enabling people to take part in the process of increasing the nation's wealth.

It has placed the major emphasis of its social investment programme on funding external education, training and development at the primary, secondary and tertiary levels.

100 000 formal sector jobs lost in painful '92

By Thabo Leshilo
Labour Reporter

Close to 100 000 formal sector jobs were lost during 1992 and workers experienced a sharp decline in real wages, experts have told The Star.

The South African Chamber of Business put the number of jobs lost in the private sector at 85 000 and the public sector at 5 790 by the second half of this year.

A spokesman said the mining industry shed 29 000 jobs, manufacturing 35 000, construction 18 000, commerce 3 500 while the service sector, which includes finance, banks and insurance, employed 2 220 more people.

Steel and Engineering Industries of SA (Seifsa) executive director Brian Angus said the metal and engineering industries had, since the beginning of the year, cut staff by 49 000, bringing the industry to its lowest workforce in 20 years.

According to the Chamber, 300 000 jobs have been lost

since the second half of 1989, which marked the beginning of SA's longest recession.

The situation is even bleaker considering that only 4 percent of the country's approximately 250 000 matriculants are expected to find employment in the formal economy in 1993.

Research by industrial relations consultants, Andrew Levy and Associates, shows that on average, wage increases were far below the inflation rate for the first time in six years — from 16,1 percent in 1991 to 12,6 percent this year.

However, there was still some hope that things would shape up next year said Cosatu negotiations co-ordinator Jayandira Naidoo.

"Although the National Peace Accord was grounded this year, it has now been consolidated, raising hopes for a political settlement next year, which is vital for an upswing in the economy."

Naidoo hailed the creation of the restructured National Manpower Commission

(NMC) and the National Economic Forum (NEF) and the talks between Cosatu and the SA Consultative Committee on Labour Affairs as "the most positive" developments.

"A big plus for the labour movement was the extension of Basic Conditions of Employment Act to farm and domestic workers."

Added Angus: "It has been a very difficult year for employers in the metal and engineering industries, marked by a lot of confrontation and resort to legal proceedings."

Due to a deterioration in the economy, the industries were forced to settle for the "quite low" wage increase of 9,1 percent after strikes by the National Union of Metalworkers and the Metal and Electrical Workers' Union.

"Now that events of 1992 are behind us, we hope to make progress regarding the future of the industry and training next year."

Angus predicted the economy would pick up during the first half of 1993 if negotiations were back on track early in the new year.

Barlows axes 11 700 jobs as recession bites

Business Staff

INDUSTRIAL giant Barlow Rand retrenched 11 700 people in the year to end-September, which chairman Warren Clewlow attributes to the need to downsize some companies because of the serious effects of recession.

He says in his annual report it is a sad reflection of our times that a group such as Barlows has to shed so many people, some possessing special skills.

The cost of recession is far worse in terms of human suffering. The cost is measurable not only in jobs lost but in jobs not created.

Mr Clewlow says about six million people, representing some 40 percent of the workforce, need jobs.

He says the national Budget for many years hence will have to cater for large-scale employment schemes in order to get people off the streets and into productive work.

There is an urgent and immense challenge of uplifting the population in areas such as housing, healthcare and education.

Substantial funds have already been made available through various forums to launch this effort, but the unstable environment has undermined the ability of those charged with this responsibility to impact significantly on these problems.

Mr Clewlow says South Africa needs to be better plugged in to the changing global environment by promoting a significant increase in foreign investment to bring in capital and skills and by bringing the country up to international standards in its working, living and educational environment.

The task will not be easy, but "we have an incredible opportunity to meet the challenge that time and circumstances have placed at our door and turn it to good account".

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Informal is beautiful

FM 18/12/92

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Prof Schlemmer is GM of group social dynamics at the Human Sciences Research Council. This is an edited version of an article written for the SA Foundation Review.

In debates about SA's political and economic situation, it has become part of popular wisdom to refer anxiously to the black unemployed as a category of despair and as a major threat to political stability. Frequently the black unemployed and the so-called lost generation of black youth are grouped together as the nemesis of the new SA.

Obviously, unemployment is a serious problem with grave human, political and economic implications. It should be a major consideration in the development of economic and welfare policies for the future. In order to know how to approach the issue of unemployment, however, it is necessary to define the nature of the problem more accurately than is the case in the general policy debate. The argument in this brief assessment is that the threat may not be as serious as many observers fear.

The official rate of unemployment among blacks in 1991 was 24,5% excluding the TBVC states. Estimates for those states, by the Development Bank of Southern Africa, for 1991 were roughly 32%. Hence the official figures would suggest that the rate for SA in its original boundaries would have been around 27%. Unemployment has increased since 1991 and, therefore, the rate equivalent to those quoted for 1992 would be roughly 30%.

There is no doubt that these figures are high. One nevertheless has to inspect them carefully to assess their full implications. Official definitions of unemployment allow for a small proportion of part-time work and so not all of the unemployed are totally deprived of income. This is one reason one has to delve into the circumstances of the unemployed to identify the ramifications of the problem.

In late 1991 and early 1992 I conducted a nationwide survey among a sample of 1 660 black adults. Homeland areas were covered, though they were somewhat under-represented relative to urban areas. The field work was based on personal interviews by trained

black interviewers.

In this survey, 35% stated that they were unemployed. About 30%, however, said that they were unemployed and looking for work. This estimate of 30% thus agrees with the official estimates given above. In the survey, however, we delved a little deeper.

Only 21% of the sample of black adults said they were unemployed and looking for "any" work; the other work-seekers said that they were looking for "suitable" work and thus one might assume they were not desperate to earn money (indeed, other results confirmed this).

We asked about household incomes and what wages unemployed people would be willing to accept. The household incomes, which are usually under-reported on surveys, suggested that not all unemployed people were in dire poverty relative to employed blacks. Among the unemployed, average household incomes were 60% of the average incomes for employed people; in fact the household incomes reported by the unemployed were about the same as the household incomes reported by employed people with no high school education.

Furthermore, only 35% of the unemployed said that they would accept jobs paying less than R500 a month. Roughly 16% of the unemployed had household incomes of less than R200 a month.

From these estimates, one has to conclude that 5%-10% of black adults are unemployed and living in severe deprivation, at a level at which an absolute shortage of food is an issue.

One must not underestimate the scope of the problem. The estimates above indicate that 1m-2m black adults are unemployed and living in households in which sheer starvation is the issue. But the problem is more manageable than loose estimates would suggest.

Dire poverty is the main issue. Another important issue is the extent to which the unemployed are politically and economically "radicalised" by their condition. A large number of political attitudes and opinions were canvassed. In general, the unemployed adults were not significantly more likely to express radical views than the employed on

issues such as mass action and minimum wages.

Frequently rates of unemployment of 40%-50% are quoted in the media, suggesting that up to half of the labour force is festering in frustration and misery. The problem is presented in such a way that it demotivates policy thinking because no policies on earth could address problems of the size presented.

If unemployment were as dire as is often suggested, we would not have hundreds of thousands, perhaps millions, of Zimbabweans and Mozambicans in SA working in menial jobs that South Africans either do not want or are dissatisfied with once they get them.

What we do know is that as many as six out of 10 "unemployed" South Africans are working in the informal sector and, therefore, have in a sense indicated that we should not compare ourselves with Germany or France, but with India and other semi-industrialised Third-World countries where it is not assumed that everyone can work in modern factories and offices.

Much of the alarmist reporting is an insult to the self-reliance that so many "unemployed" people have demonstrated. As with any good policy, our policies regarding employment must strengthen positive trends. So it is important to strengthen this self-reliance by facilitating conditions and resources for small business enterprises.

SA's "unemployed" are not, en masse, a particular political constituency of pre-revolutionary militants. There are militants among them, as there are among the employed.

The sheer size of the working population outside of the formal sector indicates that we must stop complaining about unemployment in general and start doing more to develop the informal sector. Once we do that, we will be better able to identify the relatively smaller group of unemployed people who do need urgent relief.

□ The approach to unemployment suggested here is dealt with in greater detail in the project *Platform for Investment*, undertaken by Frankel Pollak Vinderine, Sanlam, Ernst & Young and the HSRC.



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Jobless picture 'not so bleak'

JOHN SHERROCKS

Weekend Argus Correspondent

JOBS are available — the country's unemployment problem stems from people's unwillingness to fill them, according to a new survey.

While Professor Lawrence Schlemmer's shock findings make statistical sense, they are certain to be hotly disputed by the hundreds of thousands re-trenched in the country's longest recession and the long queues of school-leavers who have little hope of finding work.

Commenting on his analysis of research on unemployment figures and black expectations/demands, Professor Schlemmer,

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general manager of group social dynamics, Human Sciences Research Council (HSRC), maintains the picture is not as bleak as portrayed.

"If unemployment was as serious and dire as is often suggested we would not have hundreds of thousands, perhaps millions, of Zimbabweans and Mozambicans in SA working in menial jobs that South Africans either do not want or are immediately dissatisfied with once they get them," he concludes.

He blames, in part, "alarmist reporting" of up to 50 percent unemployment for what he sees as an inaccurate perception.

Official statistics on unemployment are roughly 30 percent

of the population, but up to six in 10 "unemployed" are working in the informal sector, he argues.

"SA's 'unemployed' are not, en masse, a particularly political constituency of pre-revolutionary militants who have been politically radicalised by their condition. An HSRC nationwide survey revealed that unemployed adults were not significantly more likely to express radical views than employed people."

In the sample of 1 660 black adults, 35 percent of those surveyed stated they were unemployed. About 30 percent said they were unemployed and looking for work, which agreed with the official estimates.

NEWS

Eastern

STAR 22/12/92

influx

hits job

market

By Thabo Leshilo
Labour Reporter

As South Africa's longest recession continues to bite, with an estimated 100 000 jobs lost in the formal sector this year, focus has once again fallen on the Government's failure to curb the flood of foreign job-seekers into the country.

According to South Africa's second largest trade union federation, the National Council of Trade Unions (Nactu), unemployment in the country is being "exacerbated by foreigners pouring into South Africa in search of jobs".

Nactu's views are published in the latest issue of its newsletter, Izwelethu.

The federation predicts that 1993 will be "catastrophic" for workers, with retrenchments as well as reductions in working hours.

Staff who get laid off or die will not be replaced, it says.

The organisation adds: "Given the flood of foreigners from the East who have taken over the pavements in major cities, the 3,5 million (traders) in the informal sector are (also) threatened."

Already, 85 000 jobs in the private sector and 5 790 in the public sector had been lost by the second half of this year, according to the SA Chamber of Business.

Up to 300 000 have lost their jobs since the recession began in the second half of 1989.

Central Statistical Services has put the number of unemployed in South Africa at 2,1 million.

Jobs outlook bleak

Sowetan 23/12/92
■ Only seven percent of school leavers will be employed in 1993:

By Ike Motsapi

(335)

ABOUT 93 percent of school leavers will find it hard to get jobs next year.

Research by the Institute for Personnel Management, called *HR 2000 - Making Human Capital Work*, says "certain estimates show that only seven percent of school leavers will find employment in the formal sector of the economy in 1993."

Social unrest

The report noted that this was a "sure" recipe for more social unrest.

The report says: "The implication is that only 90 out of the almost 1 000 new entrants a day to the labour market could be accommodated as full-time employees.

"The employment-creating record of the formal sector of the South African economy

has therefore been grossly inadequate, creating only an additional 1,1 million employment opportunities over the period 1974 to 1989, while the labour force increased by 5,1 million.

Widespread retrenchments

"The unemployment situation has recently been aggravated by the widespread retrenchments of workers in the South African gold mines due to the relatively low gold prices since 1986.

"The Chamber of Mines indicated that 25 400 people were retrenched in the first three months of 1990. Almost the same number lost their jobs in the preceding four years.

"From the above, it is clear that creating job opportunities will be one of the biggest challenges facing South Africa over the next decade," the report added.

Gloomy outlook for jobs in 1993

By FERRIAL HAFAJEE

DISAPPOINTING Christmas sales and the "retrenchments which usually follow company budgets and financial cycles" are expected to fuel growing unemployment in the new year, writes labour relations consultant Andrew Levy in his preview of 1993.

In a pessimistic outlook, Levy also says that even when the long-awaited upturn in the economy does happen, there is unlikely to be the splurge of job creation many are looking forward to.

He points out that there is usually a time lag between an economic upturn and the refilling of positions. Companies are unlikely to increase their overheads where they have become more productive with less staff.

Calls for moratoriums on retrenchments will, therefore, continue to be key collective bargaining demands in 1993, writes Levy.

He also predicts shifts in policy on management's prerogative to make decisions, which may result in job losses or favour capital intensity.

The bargaining approach of trade unions has come full circle, notes Levy. After the Wiehahn Commission, progressive unions pushed for a return to plant-level bargaining because they were not strong enough for centralised negotiations.

But now that South African unions are stronger than ever and have highly skilled

negotiators, they will increasingly demand centralised bargaining and the resuscitation of industrial councils.

"These developments are inevitable, irreversible and not necessarily fraught with all the risks and insurmountable problems many managements and advisers seem to identify," says Levy.

There is also a trend away from the "legalism" which has characterised labour relations, a new maturity among players in the field and a growing adherence to procedures.

The plummeting number of cases being taken to the industrial court proves the point, Levy stresses, although he adds that this could be attributed to problems with the court and the growing popularity of mediation and arbitration.

Levy says that affirmative action and the removal of workplace discrimination will be new areas around which unions will press demands.

But these will be fundamentally different to the "Sullivanist" improvements many progressive companies have introduced. The new programmes are likely to be co-determined, such as schemes being implemented at the Premier Group, PG Bison and, to a lesser extent, at Eskom.

Already codes are being drawn up giving details of how these programmes will be run, and Levy believes they will grow in prominence

and influence in the new year. The "Nunsa code to end unfair discrimination in employment practices" has been submitted to employers in the metal, motor and automobile industries.

And earlier this year, Anglo American and the National Union of Mineworkers signed a code of conduct for their mines. The NUM is pushing to have the code extended to the entire industry, and this could be accomplished now that Anglo's Bobby Godsell is Chamber of Mines president.

Training and advancement will happen at all levels, not only to "the rarified level of the boardroom" and "it will not be a case of win-dow-dressing", says Levy.

There will also be greater union acceptance of multi-skilling and productivity bargaining where employers show they are serious about job security, Levy states. But this view may be too hopeful: productivity and multi-skilling schemes have run into trouble in the mining industry and at Volkswagen in Uitenhage.

Wage settlements will remain depressed at least until June next year and single-figure increases will remain common, writes the labour consultant.

Organising drives and education programmes will mean that the domestic work and farming sectors will be among the most vibrant in the new year.

STAR 23/12/92

State staff levels still rising

By Sven Lünsche

(335)

While private sector employment has fallen sharply during the current recession the public sector has continued to increase its staff levels.

The Nedbank Economic Unit says in its latest monthly bulletin that from the beginning of the recession in June 1989 until June this year public sector employment increased by 15 000 to 1,224 million. In the three years prior to June '92 an additional 147 000 had been employed.

In the past two years the contraction among local authorities of 24 000 was more than offset by growth in the self-governing states of 20 000 and in the central government and provincial

authorities of 19 000. (These figures exclude the TBVC countries)

The salary bill in general government was R32,4 billion in the year to end-June.

Turning to the outlook for 1993 Nedbank says hopes of an economic recovery are squarely placed on an improvement in the agricultural sector as well as a general recovery in the world economy.

The government, already under severe stress, was unlikely to provide any stimulus for the recovery and expected tax increases could have an adverse effect on consumer demand.

This was most evident in the trend in spending on durable goods, which had de-

clined by 10 percent in real terms in the first half of this year. As a result consumer spending on durables could fall from nine percent of total spending this year to just under eight percent next year.

The BER expects spending on services and non-durable goods to show a slight improvement.

"An overall growth of two percent is forecast for the year, taking the economy back to where it was in 1991," Nedbank says.

The bank's economists still optimistic that inflation could fall to single-digit levels early next year, however, a possible rise in VAT and higher fuel levies will put renewed upward pressure on the rate later on.

Azapo suspicious of UN intentions

24/12/92

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Sowetan
By Isaac Moledi

THE Azanian People's Organisation said yesterday it would resist any attempt by the international community to force it into accepting any concept of power-sharing.

The organisation also said it wanted to meet the Inkatha Freedom Party and discuss the differences which have led to a "raging war" between the two organisations in Bekkersdal on the West

Rand.

Azapo deputy president Mr Pandeleni Nefolovhodwe said at a Press conference his organisation had noted with regret the role of the United Nations peace-keeping mission in the country.

He said it was questionable whether the UN was in the country to keep statistics, to monitor violence or to placate organisations which had signed the Peace Accord.

■ Organisation wants to meet IFP over Bekkersdal violence:

Azapo had met representatives of the UN and the Organisation of African Unity to lodge complaints about the violence at Bekkersdal.

Publicity secretary Dr Gomolemo Mokae said although the organisation was engaged in a "war" with the IFP at Bekkersdal, their option was to meet and discuss their differences. Since the hostilities began in October last year, 21 Azapo supporters had been killed.

IN THE run-up to next year's single European market, many of the continent's biggest employers are shedding tens of thousands of employees. EC unemployment, consistently higher than elsewhere in the industrial world and rising rapidly again, is rudely elbowing its way back into the limelight.

Between 1985 and 1991 it was tempting to believe unemployment could return to the low single figures of the 60s as, led by the UK, the EC created 11.4-million jobs. That performance was better than the US, Japan and non-EC Europe, but still not good enough to bring EC unemployment rates down to their levels.

One reason was that only a third of the 11.4-million jobs went to the registered unemployed, resulting in a small fall in unemployment, from 10.9% in 1985 to 8.4% in 1990. About 30% of the new jobs went to part-timers and 70% to women. Many of the women, according to European Commission officials, now form a reserve army of the semi-employed who come on to the jobs market when jobs are plentiful and disappear again when they are scarce.

The commission expects the labour force to grow 15%, requiring 25-million jobs, by 2010, largely because female participation in the work-force will catch up with the rest of the industrialised world.

But medium-term prospects are not good. Industrialists say that, on top of the unemployment arising from slower growth, is as a result of the extra loss of jobs that will arise because of the single market.

Companies' profit margins in the new competitive environment are coming under pressure so they are cutting overheads in the form of jobs. The combined result is that for the past year unemployment has been rising in almost all countries, with the exception of the Netherlands, and EC-wide unemployment is now edging back up towards 10% — about 16-million people.

The UK, where labour-market deregulation has made it easier to hire and fire, is the leader in the loss of jobs just as it was in job creation, and accounted for almost 50% of the increase in EC joblessness in the

Unemployment dogs EC on the eve of single market

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DAVID GOODHART

(335)

year to August 1992. The rapid increase in the UK will help to propel EC unemployment to a new peak of more than 11% in 1993, where the commission expects it to remain until 1996.

The total should fall after that, but the continuing underlying upward trend, which began with the first oil shock of the early '70s, will leave joblessness at the end of the '90s six times higher than it was in the '60s. The commission estimates that 10-million new jobs will be needed by 2000 merely to cut the unemployment rate to 7%, something the tough economic convergence criteria of the Maastricht treaty will almost certainly rule out.

EC labour markets were not always such international laggards. Indeed it was only in the early '80s that EC unemployment overtook that of the US, but academics and policymakers seem at a loss to find a convincing explanation for what has gone wrong over the past 20 years. The basic pattern of EC unemployment has remained similar for 20 years, although the problem is spreading beyond the unskilled, the young and the old to affect better-qualified, middle-aged workers. But the current wave differs in one important respect — there is no surge in youth unemployment, which accounted for 45% of total EC unemployment in the early '80s and now accounts for less than 30%.

There remain large differences between countries within the EC — particularly between northern and southern states. As European Commission head of employment policy John Morley says: "Unlike the US we do have some very undeveloped parts of the EC with low participation rates and a large black market."

EC unemployment can be divided into three groups: the high-unemployment countries (Ireland and Spain); the medium-unemployment countries (the UK, Italy, France, Denmark, Belgium and Greece); and the low-unemployment countries (the Netherlands, west Germany, Portugal and Luxembourg).

In countries such as France, Italy and Greece unemployment has been relatively static for almost a decade, others such as the UK have ridden the rollercoaster up, down and now up again. Portugal, the Netherlands and west Germany have seen a consistent downward trend since 1985, although Germany, following reunification, is shedding jobs rapidly.

Southern states such as Spain, Greece and Italy tend to have lower participation rates, higher youth and female unemployment rates, and higher self-employment rates. Portugal enjoys low unemployment because it has low productivity.

The EC's failures compared with other leading industrial countries cannot simply be attributed to slower growth. Though growth has been below Japanese levels since the early '70s it has been comparable with the US and non-EC Europe.

Neither, as the UK government believes, can the failure be attributed to the overregulation of EC labour markets. Britain's own laissez-faire hire and fire system is hardly a model — with the third-highest unemployment in the EC — while two of the most regulated EC labour markets, the Netherlands and west Germany, have relatively low unemployment. Related arguments about high unionisation or generous benefit systems are disproved by the Nordic countries, which have both, as well as historically low unemployment.

So was labour market deregulation and the reduction in union influence pursued by some EC countries in the '80s misconceived? Robert Lindley of the Employment Research Institute believes the strategy hit the wrong target. Instead of forcing full-time, well-paid "insiders", from skilled manual workers to the professions, to share some of their job security and high pay, it has merely made "weak workers even weaker and divided up the same amount of work into smaller, part-time, parcels". French workers in part-time employment have increased 50% over the past decade and one-fifth of UK employment is

now part-time.

The dominance of the insiders also helps explain the failure of EC wage rates to respond first to the external shocks of the '70s oil price rises and then to the high unemployment of the early '80s. The EC, led by Britain and Italy, saw a significant increase in real wages in the '80s. In Britain they rose 39% and in Italy 31%.

One reason that the insiders have remained so well placed is the high incidence of people out of work for more than one year who cease to function as an effective pressure on the employed. The long-term unemployed make up about 50% of the EC unemployed, compared with only 6% in the US and 18% in Japan.

The commission wants a labour market which accommodates the longer-term unemployed, but is unlikely to get it. EC employers are fragmenting the labour market and increasing part-time, or temporary, service sector jobs, which are often insecure and low-paid.

To overcome the mismatch between the skills and aptitudes of the long-term unemployed and the sort of jobs increasingly on offer, the unemployed will have to adapt to the job market. Morley says governments must help by adjusting social security and tax systems to encourage outsiders back into the labour market. Governments should also spend less on "passive" benefits and more on active labour market measures like retraining and counselling.

Such reforms could take years to yield benefits. In the meantime it would be unrealistic to expect greater labour mobility in the EC to help reduce strains — only 2-million EC citizens currently work permanently in another EC country, fewer than 10 years ago.

There are, however, two grounds for optimism about EC unemployment. First, thanks to lower productivity and the growth of labour-intensive services, it now requires EC growth of only about 1.5% to create jobs, compared with 3%-4% 10 years ago. Second, a growing number of politicians in the EC are starting to focus on high unemployment as a structural, not just a cyclical, problem. As Morley says: "It's not much but at least it's a start." — Financial Times.

Time overdue for firm leadership, says HSRC

RAY HARTLEY

THE time was long overdue for SA's political leaders to begin exercising firm leadership on the basis of achievable strategies, HSRC social dynamics GM Lawrence Schlemmer said in the December edition of the organisation's magazine Prospects.

"The process of political negotiation in SA is almost sublimely ambiguous and confusing. One week we appear to have deep and irreconcilable conflict; the next we appear to have political understanding," he said.

Many NP members had the impression that the ANC created crises and then won "more than its fair share of concessions", with government appearing to bend over backwards, he said.

Schlemmer said the ANC's sudden shift back to bilateral talks with government was unexpected.

"In some ways it is a positive feature of the current process. Both the NP and the ANC alliance have come from very different parts of the political spectrum.

"They carry with them fears, sensitivities and commitments which were firmly established in their party structures in the previous period of armed struggle and naked ideological and strategic antagonism."

Also writing in Prospects, Stellenbosch University international law professor Gerhard Erasmus said SA might need more international involvement to achieve a peaceful negotiated settlement.

LLOYD COUTTS reports that Erasmus said mutual trust was lacking among the main political players in SA, and the resulting inability to reach agreement coupled with escalating violence had threatened both negotiations and regional peace.

"This is the basis for international involvement. We need the international community to help us with our own efforts."

Monitoring could restore trust in the machinery of state which had been used to enforce apartheid in the past.

The escalating violence, however, could require a greater role by the international community.

The first elections would require extensive monitoring, and the registration of voters, campaigning, media access, polling and counting, would have to be free and without intimidation.

"Untag's success in Namibia has established a reputation of objectivity."

Work for Life starts job creation project

ROBERT WICKS

MORE than 7-million economically active South Africans have no recorded employment and about 450 000 new job seekers are entering the market each year, according to figures released by Work for Life Entrepreneurial Developments.

Work for Life has been launched by engineering firm Rutech to assist retrenched staff by creating community self-reliance.

Blue chip corporations, governments, international development aid agencies, banks, entrepreneurs and community organisations were being targeted in an ambitious job creation project which could see the establishment of half a million micro-enterprises in the next five years.

Rutech director Andre van Heerden said a successful programme had been implemented with Anglo Alpha, and a similar project was in the pipeline with Foskor for the new year.

Productivity centres in disadvantaged communities were established and then run by candidates with a genuine desire to work for community upliftment.

Extensive training in technical, business and marketing aspects was undertaken. Revenue was derived from technical and business training services, the marketing and distribution of appropriate technology and the supply of raw materials.

"Each centre operates as a franchise of Work for Life, training 100 people a month at a fee of R50 a course. From this it obtains 30 micro-enterprises at a set-up cost of around R4 000 each," said Van Heerden.

Rutech guaranteed an equipment buyback and ceded its shares in the centre to the investor for its exposure in the first year, Van Heerden said.

BP plan to cut another 9 000 jobs will affect SA operation

BRITISH Petroleum CE David Simon recently announced a cutback in staff of about 9 000 by 1995 in a move that could have serious repercussions for BP SA.

This increases an earlier figure for expected job losses to a total of 20 500 or 20% of the global BP workforce, according to the London Financial Times.

BP SA would be affected mainly by marketing and refining cutbacks, industry sources said yesterday.

The cuts come at a time when BP faces a likely loss of £500m this year on a replacement cost basis, caused by increasing debts and a huge net cash outflow used to fund its ambitious oil exploration project.

The company said it had set a target of 5 000 direct job cuts over the next three years with a further 4 000 cuts through divestment of peripheral businesses.

"Roughly 4 000 will be in business interests that we plan to divest to third par-

ties. The remaining 5 000 represent the balancing number of future job reductions that will occur over a three-year period," Simon said.

Commenting in a notice to staff in London, Simon said the staff cuts would not be concentrated in any one country but would take place gradually worldwide.

The reductions form part of a cost-cutting drive initiated by Simon to reduce operating costs by \$1bn in order to add \$600m to annual profits by 1995.

He said the 4 000 jobs would be cut mainly through normal and accelerated retirement, the voluntary redundancy programme and non-replacement of employees who quit.

Simon said he hoped to cut \$400m from marketing and refining costs, \$300m from the corporate centre, \$200m from exploration

and production and \$100m from chemicals.

He said the company was not planning any further large, one-off cuts.

The cuts are in addition to plans announced in August to cut 11 500 jobs by early 1993. Those cuts will come mainly from the downstream part of the business such as refining operations and petrol stations.

In these areas competition and low oil products prices have squeezed margins while demand remains affected by the recession.

ROBERT WICKS